

Investigation of Social Housing Policy in Western China:
A Case Study of Yinchuan City

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Abstract

China, as one of the fastest developing countries in the world, has experienced particularly swift economic growth since 1978. While absolute poverty in urban China has decreased during this time, the growing proportion of the relatively poor among the urban population, especially the increasing numbers of poor rural migrants, has presented an immense challenge for housing authorities in China's cities. At the same time, rising high housing prices have caused an affordability problem for middle- to low-income households. In response to these issues, successive waves of social housing development have taken place across China, with 'affordable', 'low-rent', 'price-limited' and 'public rental' housing having been introduced successively since 1998 to support a range of middle- to low-income residents facing housing challenges. While previous studies have examined social housing policy in China, particularly in the major cities, thus far there has been little research focused on the implementation and impact of these programmes in the 'economically-lagging region' of western China, nor have many of these studies considered this from the residents' perspectives.

This research examines the evolution, purpose, significance and implementation challenges of social housing policy in western China, as well as exploring the extent to which this housing satisfies the needs and preferences of its residents. Specifically, it includes an in-depth case study of Yinchuan city in western China based upon an analysis of government plans and statistics, as well as interviews with officials and residents. The study employs an analytical framework based on the social housing functions identified in western societies (supply function, wider affordability function, safety net function, and ambulance service function), and the social housing models found in East Asian countries (productivist model and welfarist model).

It finds that social housing in Yinchuan fulfills a range of these functions by using different types of housing to meet various residents' housing needs. Affordable housing is supplied to a wide range of middle-income households, similar to the wider affordability function in western countries, while low-rent housing plays an ambulance service role to secure the neediest households. However, the functions of social housing have also changed over time. The implementation of price-limited housing and public rental housing has resulted in a broader range of people being covered by social housing, meaning that these policies start to perform the safety net function in western China. Thus,

the overall social housing model has been shifting from a productivist to welfarist model, with function changes in reaction to both housing development and broader social and economic change in China.

The Yinchuan case study illustrates how social housing policy might work in Chinese cities of a comparable size with similar geographical locations, economic situations, and demographics, as well as revealing some more general points about social housing development across China. Further studies are needed in other western cities in China, and in other under-researched areas of this vast country, to determine just how typical Yinchuan's situation is compared with social housing across the rest of China.

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List of Abbreviations

AHG	Additional CPF Housing Grant
BTO	Build-to-Order Scheme
CECODHAS	European Liaison Committee for Social Housing
CHS	Certification of Housing Security
CPF	Central Provident Fund
DBSS	Design, Build, and Sell Scheme
EC	Executive condominiums
GDP	Gross domestic product
GHLC	Government Housing Loan Corporation
HDB	Housing Development Board
HOS	Home-Ownership for the People Scheme
JHC	Japan Housing Corporation
KNHC	Korea National Housing Corporation
LCHO	Low-cost home-ownership
LIHTC	Low Income Housing Tax Credit
MOC	Ministry of Construction
MLSS	Minimum Living Standard Support
NPRH	National Public Rental Housing
PIR	Price-to-income ratio
PPRH	Permanent public rental housing
PRH	Public Rental Housing Community
RFS	Registration of Flat System
RTB	Right to Buy
SMA	Seoul Metropolitan Area
SOE	State-owned enterprise
SDPC	State Development Planning Commission
WIS	Walk-In-Selection Scheme

Chapter 1: Introduction

1.1 Background

With the rapid development of society and the economy in China over recent years, standards of living have risen rapidly. Indeed, China is one of the fastest developing countries in the world, having experienced particularly swift economic growth since 1978, when Xiaoping Deng announced the Open Door policy. According to Galbraith and Lu (2000): ‘The Open Door policy involves two major types of policy change: the opening up of geographic regions to foreign investment, and the opening of specific institutions nationwide’. This geographic opening was first seen in Guangdong (which borders Hong Kong) and Fujian (an entry point to Taiwan). Then, the government created Specific Economic Zones, which included Shenzhen, Zhuhai, Shantou and Xiamen. By 1992, more than 20 cities were opened up in this manner, which drove rapid economic development.

Therefore, from 1979, both the country’s gross domestic product (GDP) and average income per capita have increased rapidly (Brada, et al., 2014). Indeed, the GDP grew at nearly 10% annually from 1978 to 2010 (Yao, et al., 2014a). During this time, China’s housing system shifted from a socialist welfare model towards marketisation, meaning that housing in China started to be treated as a commodity (Lisheng, et al., 2010). The concept of treating housing as a commodity not only encouraged economic development, but also enhanced comprehensive urban development across China, especially when commercial housing was introduced in a major 1998 housing reform (Ye & Wu, 2008; Hui, 2009). Since the movement towards housing marketisation, China has experienced rapid urbanisation, with the proportion of the population living in urban areas increasing from 20% of the total population in 1981 to 44% by 2009 (Ronald & Doling, 2014). Alongside this rapid urbanisation, household living standards have improved with, for example, the national average floor space of residential buildings in urban areas rising from 8.1 m² per capita in 1982, to 36.2 m² by 2011 across China (Yao, et al., 2014a).

In the last 25 years, as one of the world's most rapidly developing countries, the rate of absolute poverty in China has decreased very significantly from 84% in 1981 to 16% in 2005 nationally, and in urban China from 45% to 2% (Riskin & Gao, 2009; Yao, et al., 2014a; Department of Economic and Social Affairs, 2009). However, although absolute poverty in urban China has decreased, the growing scale of the *relatively poor* urban population has presented an immense challenge for housing authorities in China's cities (Li, 2016). Relative urban poverty has been described as 'an emerging and complex phenomenon', resulting from both reform to state-owned enterprises (SOEs) and rural-to-urban migration (Wu, et al., 2010, p. 1).

Reforms within SOEs since the 1990s, mean that many workers have been made redundant. Indeed, around 30% of SOE workers were laid off from their positions in 1997 (Zhu, 1998). Although a number of the laid-off workers were re-employed, considerable numbers of unemployed laid-off workers increased the unemployment rate (Wu, et al., 2010). Additionally, the redundancy compensation provided was usually very small and, lacking supporting social programmes, most laid-off workers experienced urban poverty while unemployed. Thus, these laid-off workers increased the number of people living in relative poverty in urban areas. For example, in Beijing in 2000, a survey of 1,000 laid-off workers showed that redundancy resulted in their income decreasing by 61.2% (Wu, et al., 2010).

Furthermore, rapid economic development and urbanisation has brought increasing numbers of 'underpaid and unprivileged migrant labourers from the countryside, and any others who have recently fallen into penury' (Solinger, 2006, p. 177). This has led to the idea of 'semi-urbanisation', as rural migrants do not have the same rights as urban citizens (Wu & Rao, 2017). Rural migrants are often employed in dangerous and insecure work with very low pay (Wang, 2004a; Wang, et al., 2010; Park & Wang, 2010; Hao, 2009; Nielsen & Smyth, 2008). In addition, rural migrants usually do not have a local urban 'Hukou', which is a household registration system used in China. The Hukou are controlled by the government and are divided into 'agricultural' (rural Hukou) and 'non-

agricultural' (urban Hukou), but 'it is difficult for rural migrants to get an urban Hukou' (Wu & Rao, 2017, p. 191).

Therefore, the Hukou system still plays a major role in urban areas of China, even if the government has 'relaxed its control over population mobility' (Wu, et al., 2010, p. 20). Not having a local Hukou is a barrier to accessing social welfare, including social housing (Wang, 2004a). Thus, the lack of local social welfare protection (health care, education, social housing, etc.) means that migrants, especially rural migrants, face greater challenges managing their living costs (Hao, 2009). Therefore, Hukou are regarded as an 'invisible wall' that helps to create unequal income and status between rural migrants and registered urban households (Nielsen & Smyth, 2008; Wu, et al., 2010), which increases the overall income inequality in urban areas (Wu & Rao, 2017; Wu, et al., 2010). As discussed by Wu et al. (2010, p. 1), even as absolute poverty rates have fallen dramatically, 'China has changed from one of the most egalitarian countries to one with income inequality greater than most other developing countries in East Asia'.

Along with increasing inequality, the price of housing has risen to a higher level than the average resident in urban areas can afford because supply cannot meet demand (Li & Driant, 2014; Wang & Shao, 2014). Since the 1998 housing reform was implemented, rapid marketisation has driven a large increase in housing prices, meaning that increasingly middle- and low-income families cannot afford market housing. The ratio of housing cost to disposable income is higher than the 30% international affordability 'norm' in many Chinese cities, especially in urban centres, such as Beijing and Shanghai (The Research of Housing Security System in Urban China, 2008). As discussed by Chen, et al. (2010), the price of housing in Shanghai is unaffordable for 'the overwhelming majority of residents'.

Furthermore, increasingly people have been purchasing housing as an investment in urban areas, which has contributed to driving up the price of housing. While high-income households purchase housing as an investment rather than for living in, middle- and low-

income households purchase housing to provide accommodation for their families. Thus, high-income households are increasingly pushing up housing prices and causing middle- to low-income households affordability problems when they try to purchase housing (Mao & Zhao, 2014). Therefore, this has exacerbated housing problems for middle- and low-income households, as having difficulty to afford market housing has become an increasingly common situation (He, 2014; Wang & Shao, 2014). This has contributed towards the importance of social housing for people across quite a wide income range. As middle- and low-income families increasingly cannot afford housing on the market, especially migrants, in order to save on living costs, they have to live in places in urban areas where living conditions are poor, such as ‘urban-rural interface zones’ (Wang & Wang, 2009). As a result, they need help to secure suitable accommodation via supportive government policies, which increases the importance of social housing.

In China, social housing was introduced with the intention of solving the accommodation problems faced by middle- and low-income groups (Wang & Murie, 2011). It was hoped that the implementation of social housing policies would not only ease the overall shortage of housing in China, but also solve the specific accommodation problems of the poor people who lived in urban areas. In 2007, the *17th National Congress of the Community Party of China* emphasised that the principle of social housing was to provide people with a ‘home to live in’ (zhuyou suoju) (Luo & Xiang, 2011). Meanwhile, many developers have recognised that this policy provides a business opportunity for them.

The social housing system in China was officially introduced as part of the 1998 housing reform. Since then, four types of social housing have been employed to address the housing issues of households living in urban China at different income levels: *affordable housing, low-rental housing, price-limited housing and public rental housing*. According to central government, commercial housing should be used to solve the accommodation problems of people with high incomes. Therefore, these forms of social housing, funded by local government and built by private developers, are designed for middle- and low-

income groups (Wang & Murie, 2011). Thus, social housing aims to secure the low-end and support the middle-end households.

Social housing in China is intended to provide homes for a wide range of households in urban China, covering 80% of urban residents (Wang, 2004b). In order to understand the coverage of social housing, it is necessary to explore the range of specific groups of people are considered to have ‘housing needs’. Firstly, there are those households who have very low incomes who, in the absence of social housing, are forced to rent very poor quality and substandard private rental units (Wang, 2004b). Secondly, there are a wider range of people on middle- to low-incomes who do not have access to quality accommodation because of the unaffordable price of commercial housing (The Research of Housing Security System in Urban China, 2008). Thirdly, due to a lack of local Hukou, there are migrants who are often forced to rent on the market, with most of them having to live on the outskirts of urban areas (Jiang, et al., 2005; Huang & Tao, 2015; Hao, 2009). These people are not only living in poor environments, but they also have increased living costs due to the requirement to travel to work in the cities (Jiang, et al., 2005; Ministry of Civil Affairs Research Center, 2015).

Although the building of commercial housing developments was heavily encouraged in China, the construction of affordable housing also gradually increased (Chen, et al., 2013). Central government announced 16.3 million social housing units were under construction and 11 million dwellings had already been completed in their ‘11th Five-Year Plan’¹ (2006-2010), and a project to construct 36 million social housing units was outlined in the ‘12th Five-Year Plan’ (2011-2015); this task was mostly achieved, with over 32 million units in construction, by the end of 2014 (Jiang & Wang, 2016). As Chen et al. (2013) notes, the Chinese social housing system is still evolving, although large-scale construction has already resulted in increasing numbers of households being housed by social housing. Indeed, social housing has now become the most common method by

¹ Five-Year Plan: this is the long-term development plan for economy and society in China, which intends to boost and advance the sustainable development of the country.

which middle- to low-income households solve their housing issues, so it is important to examine the extent to which social housing has met the needs of households living in urban China. Yet, to understand the role that social housing programmes have played in contemporary China, it is useful to place these developments in the international context of social housing development in both the western world and throughout other parts of Asia.

1.2 International Perspectives on Social Housing

In an analysis of social housing programmes that were implemented in Europe after World War II, Stephens, et al. (2002, p. 2) quotes the definition of social housing used by the European Liaison Committee for Social Housing (CECODHAS) as: ‘rental [...] housing for which access rules are defined in favouring households that have difficulties in finding accommodation’. However, throughout the western world, social housing policy has been implemented differently according to the ‘need’ for it.

In western countries, social housing has fulfilled differing roles in various countries at different times. As discussed by a number of researchers (e.g. Stephens, 2008; Fitzpatrick & Pawson, 2011; Malpass & Victory, 2010; Levy-Vroelant, et al., 2014; Elsinga & Wassenberg, 2014), many European countries, such as the UK, France, and Germany, applied social housing as a solution to solve housing shortages after World War II. In these countries, because of the huge demand for housing, the government built a large quantity of housing units to solve the accommodation problems of a substantial proportion of their populations. However, when this shortage eased, social housing in some countries, particularly those with low levels of poverty, was then provided to a wider range of residents, such as was the case in the Netherlands. In other countries, where there was a higher level of poverty, social housing focused on households that could not access housing through the market, such as in the UK (Fitzpatrick & Stephens, 2007; Stephens, 2008; Stephens et al., 2002; Elsinga & Wassenberg, 2014, p. 28; Ditch, et al., 2001; Elsinga & Bortel, 2011). Today in both the Netherlands and the UK, social housing is used to solve long-term housing problems, while in other countries, such as

the United States, social housing is provided only for the short term, usually to people who are in emergency situations, such as being homeless or who have a serious disability (Stephens, 2008; Schweigert, 2008; Collinson, et al., 2015; Morris, 2013; Lennon, 2008).

In East Asian countries, social housing is commonly referred to as ‘public housing’. Indeed, governments of some Asian countries are deeply involved in the housing sector, with agencies, such as the Japan Housing Corporation (JHC), the South Korea National Housing Corporations (KNHC) and the Singapore Housing Development Board (HDB), playing an important role in ‘facilitating mass housing construction on an unparalleled speed and scale’, which was regarded as a contributor towards economic development (Ronald & Doling, 2014, p. 16). Unlike in western countries, social housing in East Asian countries is employed as an approach to enhance economic development. Social housing is referred to as economy-driven welfare, which was developed within a market framework to solve the housing issues of middle-income households by encouraging home-ownership (Hirayama, 2013; Groves, et al., 2007a). For instance, Singapore’s public housing is available to a wide range of households, but mainly middle-income households, while only social rented housing covers the poor (Groves, et al., 2007a).

An examination of social housing in an international context provides a theoretical framework, as well as some approaches to help examine the purpose, development, and implementation of social housing in China, through which it is possible to consider if China’s social housing follows any of these other models in practice.

1.3 Problem Statement

Since its inception, social housing policy in China has gone through several important reforms that have sought to improve the housing system. Although social housing policy was originally implemented to improve the housing standards of middle- to low-income households, the rapid development of China resulted in a number of new social housing-related problems emerging over time.

First, rural migrants have increasingly contributed to the number of middle- to low-income people in urban areas of China, increasing the social housing demand (Wu, et al., 2010; Huang & Tao, 2015). Although large-scale social housing construction has taken place over the past ten years, the quantity of social housing available has been unable to meet the needs of the increasing urban population in some parts of China, especially in areas with high numbers of migrants. This has caused a long waiting list for public rental housing, which is the only form of social housing available to non-Hukou residents.

Second, various concerns about Chinese social housing have emerged, including with regard to its location, facilities and quality, and price. For example, social housing is often located in peripheral urban areas meaning that local residents incur increased living costs due to travel (Liu & Jia, 2009; He, 2014). Additionally, the needs cannot always be met of those who are prioritised for allocation, such as disabled people, due to a lack of accommodation with appropriate facilities (e.g. lift) (Zhou & Mei, 2008). Also, while the price of social housing is lower than market housing, in some parts of urban China it is still higher than middle- to low-income households can afford (Wang, 2001; He, 2014).

Third, while there has been considerable research on social housing development and housing issues in various large Chinese cities, such as Beijing (e.g. Li, 2009; Liu, 2009) and Shanghai (e.g. Wen, 2011), which have been the focus of previous studies because their rapid development and large populations, a number of gaps still exist in our understanding of social housing across urban China – in particular, in the inland regions of the country and the cities in the west of China. Although a number of scholars have examined social housing in Chongqing (e.g. Zong, et al., 2007; Ao & Wang, 2012; Cai & Wu, 2012; Luo & Xiang, 2011; Long & Yi, 2011), the majority of cities in western China have received little attention in the literature. The western region of China is often referred to as an ‘economic lagging region’, so extending the understanding of social housing implementation in this area helps to reveal how social housing meets housing needs in different economic circumstances nationally.

Fourth, although there has been an increasing focus in the literature on China's approaches to social housing (e.g. Wang, 2004b; 2007; Wang & Murie, 2000; 2011; Wang & Wang, 2009; Cai & Wu, 2012; Luo & Xiang, 2011; Gong, 2009; Li & Driant, 2014; Jiang, 2012; Huang, 2013; He, 2014; Yang & Chen, 2014; Yang et al., 2013; Kang, et al., 2011; Chen, 2010; Chen, et al., 2013), this has tended to be approached from a specific, relatively narrow angle. For example, Wong et al. (2007) focuses on the location of affordable housing, Wang (2004b) emphasises housing and urban poverty, while Chen (2014) draws attention to public rental housing in Shanghai. More comprehensive investigations into social housing implementation as a whole, including from the perspective of households' lived experiences, have been far less common.

Therefore, this thesis examines whether social housing in China is really meeting the housing needs of residents, both in terms of solving their housing issues and improving their living standards. Furthermore, it considers what other purposes social housing in China fulfils and the role it has played in the development of the country. This research has been conducted with a focus on the economically lagging regions of China, particularly in western China, given that there has been far less by way of research to date on the specific challenges facing social housing implementation in this relatively neglected area of a vast country.

1.4 Research Aim and Objectives

To address the research gaps highlighted above, this research applied a predominantly qualitative case study design to achieve its primary aim: to investigate the purpose, importance and challenges in the implementation of social housing policy in western China through a case study of Yinchuan city in Ningxia Hui Autonomous Region. The specific research objectives were as follows:

1. To review international conceptualisations of the role of social housing in order to develop a theoretical framework for interrogating the role of social housing in China.
2. To review the evolution and challenges of social housing policy in China.

3. To examine the evolution and challenges of social housing policy in western China specifically, via an in-depth examination of the situation in Yinchuan. In particular, to:
 - a) Examine the practical implementation of social housing in western China.
 - b) Identify the housing needs of local residents in western China, and to evaluate how well these have been met by current social housing policy.
4. To identify the policy implications of this study for social housing policy in China, and particularly in the west of the country.

1.5 Structure of Thesis

In order to achieve the aim and objectives of this research, this thesis is structured as follows:

Chapter 2: *International Social Housing Policy*. This chapter reviews the social housing policies of western countries and East Asian countries to provide a conceptual framework and broader context for the research.

Chapter 3: *Urban Poverty and Housing Challenges in China*. This chapter summarises the emergence of urban poverty in China, and the associated housing challenges, and traces the timeline of national housing policy reforms to provide the general background for social housing implementation in China.

Chapter 4: *Social Housing Policy in China*. This chapter traces the timeline of the introduction, implementation and challenges of each type of social housing in China as a whole, in order to set the context for an investigation of social housing in western China specifically.

Chapter 5: *Methodology*. This chapter details the research methodology employed in the study, and justifies the case study approach as an appropriate means to address the research objectives set.

Chapter 6: *Describing the Evolution of Social Housing in Yinchuan*. This chapter explores the implementation of social housing policies in Yinchuan – tracing the evolving story chronologically. It combines an examination of local documentation with interviews with local government officers to describe social housing policy development in this case study city located in western China.

Chapter 7: *The Management of Social Housing in Yinchuan*. This chapter investigates the practical management of social housing in Yinchuan today. Based on interviews with local government officers and social housing property managers, it examines issues such as eligibility, allocation and estate management procedures, and how processes of eviction from social housing are managed.

Chapter 8: *Experiences of Social Housing in Yinchuan*. This chapter explores residents' experience of social housing in Yinchuan. It considers issues of location; community forms and 'social mix'; quality, size and layout; property management; affordability; and residents' overall satisfaction with social housing.

Chapter 9: *Conclusions*. This chapter outlines the research's overall findings and presents its conclusions about the functions, evolution and challenges of social housing in Yinchuan and across western China, as informed by the review of Chinese and international social housing policies presented at the start of the thesis. It also offers some evidence-based policy recommendations and suggestions for future research.

Chapter 2: International Social Housing Policy

2.1 Introduction

Housing is a fundamental need, and social housing can play a significant role in satisfying this need for households that are experiencing problems. Social housing is identified as ‘allocated by need and not by price’, which makes it different from market housing (Elsinga, et al., 2009, p. 153). Social housing is provided in various forms (e.g. ownership), targeted at different groups (e.g. low-income groups), and it plays varying roles in the development of different countries. In western countries, social housing is routinely referred to as social rented housing, which ‘is the term applied to housing that is let at below-market rents and allocated administratively according to need’ (Stephens, 2013, p. 199). Meanwhile, social housing in East Asia is defined as ‘cheaper rental or owner-occupier housing provided by the government or developers involving public funding and public resources (e.g. land) not priced at market rates in the production process’ (Chiu, 2013, p. 3).

Social housing is more often referred to as ‘public housing’ in Asia because it is state controlled, which differs from western countries where social housing is not only managed by the state, as is case with council housing in the UK, for example, but also independent public institutions, including municipal housing companies, housing associations, and private landlords. The Netherlands is one case where housing associations play significant role in the social housing system (Stephens, 2008; Scanlon et al. 2014; Stephens, 2013; Whitehead, 2014). Therefore, social housing in East Asia ‘is financed, constructed and managed on the basis of entirely different criteria’ from western countries (Ronald & Doling, 2014, p. 18).

According to the definitions of social housing in East Asia and in western countries, social housing is implemented differently according to the ‘need’ for it (Elsinga & Bortel, 2011; Fitzpatrick & Pawson, 2011). Countries, depending on their economic and social

circumstances, apply differing social housing policies and develop a range of social housing programmes in order to achieve the purpose of their social housing. However, the purpose of social housing not only involves managing housing needs, but also fulfils other roles for a country.

In the western world, four functions of social housing can be identified: *the supply function*, *the wider affordability function*, *the safety net function*, and *the ambulance service function* (Stephens, 2008; Fitzpatrick & Stephens, 2007; Stephens et al., 2002).

Social housing performed *the supply function* in most European countries after World War II because war damage and rapid population growth caused a massive housing shortage (Stephens, 2008). This function aims to supply long-term and decent quality housing to a large number of people (Fitzpatrick & Pawson, 2011; Malpass & Victory, 2010). Governments began to build large-scale social housing in order to solve this issue during different periods, meaning that these projects were completed at different times (Stephens, 2008). To a certain extent, the large-scale construction of social housing solved the shortage problem and so the supply function could be said to have been successfully applied.

The wider affordability function is designed ‘to make good quality housing more affordable’ in many European countries (Fitzpatrick & Stephens, 2007, p. 23). According to Fitzpatrick & Pawson (2014), the wider affordability function of social housing is mostly performed for ‘mainstream accommodation’, but it does not necessarily benefit the poorest people or ‘the most vulnerable’ people; for example, some social landlords in France are unwilling to supply housing to the poorest residents (Stephens et al., 2002). In some of these countries, there is a minimum income threshold for housing, which favours a wider range of residents, including higher-income groups (Fitzpatrick & Stephens, 2007; Stephens, 2008).

The safety net function is mostly performed in the UK because of its relatively high levels of poverty and greater levels of inequality than is found in other European countries (Stephens, 2008; Fitzpatrick & Pawson, 2007). Research has shown that the safety net function aims ‘to provide housing to households who would otherwise be unable to access it through the market on a long-term (permanent) basis’ (Fitzpatrick & Stephens, 2007, p. 23; Stephens et al., 2002; Fitzpatrick & Pawson, 2007). As was discussed by Fitzpatrick and Pawson (2014), the safety net function is performed for the poorest people, because social housing should be provided for those on low incomes and for vulnerable people who cannot afford the housing on the market. In other words, the safety net function is one type of housing assistance that aims to provide for the basic needs of disadvantaged individuals or groups.

The ambulance service function is adopted for short-term and emergency help and it is mainly performed in English-speaking countries, such as the United States, Canada, and Australia. According to Stephens et al. (2002, p. 2), the ambulance function is designed to ‘allow people to gain access to adequate housing who could not afford to do so in the free market’. The ambulance service function focuses on solving housing problems for the poorest sections of the population (Stephens, 2008). However, in contrast to the safety net function, which provides long-term housing, the ambulance service function does not aim to supply permanent housing and it only provides people with a place to stay until their income increases. This also differs from the objective of the wider affordability function, which supplies permanent housing to a broader range of groups (Chisholm, 2008; Stephens, 2008).

In East Asian countries, Groves et al. (2007a, p. 11) argue that ‘East Asian countries with prominent “developmental welfare systems” put an emphasis on economic rather than social development’. Countries, such as Japan, provide housing support to low-income groups by meeting their ‘housing needs within a market framework’ (Groves, et al., 2007a, p. 11). These countries have a relatively high rate of home-ownership, and economic development is one of the major functions of social housing, which can be

referred to as economy-driven welfare states (Groves, et al., 2007c). Thus, unlike in many western countries, East Asian countries emphasise economic development.

Additionally, while social housing in western countries can be classified by functions, public housing provision in Asian countries ‘is part and parcel of the general housing welfare policy’ and it does not follow traditional western welfare models (Chiu, 2013, p. 3; Groves, et al., 2007a). Compared with western models, housing programmes in Asian countries are intended to ‘improve urban infrastructure and... housing programmes ostensibly aim to improve urban infrastructure and enhance household self-reliance rather than cultivate expectations of rights to state services’ (Ronald & Doling, 2014, p. 18).

Therefore, according to the features of social housing in western and East Asian countries, social housing is managed by the state or housing associations and provided by rental or ownership in order to meet the definition of social housing within the diverse circumstances of housing in different countries. Two common essential characteristics of social housing can be identified: 1) rents or price are set lower than market levels; 2) ‘allocations are made by administrative criteria’ (Stephens, 2008, p. 28; Fitzpatrick & Stephens, 2007; Chiu, 2013). However, there is no unified definition of ‘need’ for social housing in these countries, as that is set depending on ‘administrative criteria’. Thus, East Asian countries, like Singapore, provide home-ownership social housing to middle-income households, but in western countries, like the US, only very poor households are covered by social housing (Groves, et al., 2007b; Ditch, et al., 2001)

In order to build a comprehensive theoretical framework, this chapter reviews housing policies from a number of western and Asian countries to discuss the characteristics of social housing that exist within the different models.

2.2 Western Model

According to Stephens et al. (2002, p. 2), CECODHAS defines social rented housing as ‘rental [...] housing for which access rules are defined in favouring households that have

difficulties in finding accommodation’ (Stephens, et al., 2002, p. 2). Social housing in western countries is provided at a lower than market price to people who are in need, rather than to those who are able to pay (Ronald & Doling, 2014). Western countries apply different functions of social housing, and some of them have implemented more than one function in different periods in order to meet housing needs. This section will review the social housing policies in six western countries: the Netherlands, France, Germany, the UK, the United States, Canada, and Australia.

2.2.1 Supply function

According to Fitzpatrick and Stephens (2007, p. 23), the supply function aims ‘to help to meet housing shortages and to improve the quality of housing supply’, and it has been applied in many European countries. In many cases, it focuses on solving housing shortages, which ‘lies in the sphere of production’, because of the large-scale damage that was caused to housing stock during World War II. (Stephens, 2008, p.29).

As most European countries met significant housing shortages and a high-birth rate during the post-war period, large-scale social housing construction was required in order to ease increasing housing demand (Elsinga & Wassenberg, 2014; Levy-Vroelant, et al., 2014; Musterd, 2014). For example, the peak time of housing construction in Germany was during the early 1950s to address war damage and the increasing growth in demand for housing. The federal states aimed housing at ‘those ‘bombed out’ and to help with the integration of over seven million refugees’ (Droste & Knorr-Siedow, 2011, p. 35). Meanwhile, Australia also applied the supply function after World War II to enhance the supply and standard of housing and to address the shortage, affordability and increasing housing quality problems in the country (Arthurson & Jacobs, 2009). For example, in England the stock of council housing numbered one million in 1946, but this had increased to 5.5 million by 1979, accounting for 31% of the total housing stock (Lupton, et al., 2009; Whitehead, 2007; 2014), although it has since fallen significantly to around 16% by 2016 (Wilcox, et al., 2017).

Meanwhile, the supply function was not only focused on increasing quantity of housing, but also ensure the households' living quality. For instance, in the Netherlands, the government supplied funds to construct good quality social housing, 'even on locations that normally would be too expensive to build them on' (Musterd, 2014, p. 468), while the main purpose of French social housing in the post-war period was 'to provide decent homes for the whole range of salaried workers in a context where rental housing was the normal tenure' (Levy-Vroelant, et al., 2014, p. 128).

With housing stock greatly increased, the supply function in different countries has been stopped successively. However, the demand reflected an underlying need in the sense that there was evidence of significant numbers of people being unable to access affordable housing of an acceptable quality through the market (Fitzpatrick & Stephens, 2007). Thus, each country applied different functions of social housing in order to solve diverse 'underlying needs'.

2.2.2 Wider affordability function

Social housing stock increased considerably in the countries that applied the supply function. The Netherlands became one of the European countries with the largest social housing stock, which amounted to around 33% of the total housing stock by 2011 (Boelhouwer, 2011; Elsinga & Wassenberg, 2014; Musterd, 2014). Countries that had relatively low poverty level and large amounts of social housing stock applied the wider affordability function in order to provide housing to a greater range of people (Stephens, 2008; Fitzpatrick & Stephens, 2007). Therefore, this section considers social housing policy in some countries to illustrate how the wider affordability function works.

When the function of social housing shifts from the supply function to the wider affordability function, the target tenants of social housing changes from providing 'affordability and decent housing for all' to focusing on those income is lower than the agreed income ceiling (Ditch, et al., 2001; Elsinga & Wassenberg, 2014, p. 28). In France, for example, social housing is 'the construction, outfitting, allocation and management of

rented social housing aims to improve living conditions for people with modest incomes or in need' (Driant, 2011, p. 117).

In terms of eligibility, income is the major threshold for access to social housing, and applicants must earn less than the income ceiling to be eligible (Oxley & Smith, 1996). Therefore, not only poor households meet the eligibility criteria for social housing, but also most middle-income households (Korsu, 2016). Theoretically, over 70% of households in France meet the eligibility criteria for social housing according to the income thresholds (Fougere, et al., 2011), although 'almost 70% of applicants are from the poorest 30% of households' (Levy-Vroelant, et al., 2014, p. 136).

Although income is an essential factor for eligibility, there are also other factors, including correlation between incomes, rent, the size of households, and other social or economic situations (Ditch, et al., 2001). Social housing in Germany covers an even wider range of households, almost every tenant will be guaranteed a 'lifetime' tenancy, and everyone is provided with a decent home that meets a minimum housing standard, combining households' income, local rent level, family size, and other circumstances (Kofner, 2007).

Additionally, in some countries, such as France, social housing provides different distinct types of housing that are allocated according to rent levels and applicant income levels in order to target households at different levels: 1) standard housing, aims to solve housing problems for low-income groups, over 70% of households meet the eligibility for standard social housing; 2) upper-income social housing, targeted to provide housing to middle-income households; and 3) 'very social' housing, aims to house the poorest households as a priority, but only accounts for 10% of the social stock even though 33% of households meet the eligibility criteria for this social housing (Levy-Vroelant & Tutin, 2007; Fougere, et al., 2011; Scanlon & Whitehead, 2011; Korsu, 2016; Levy-Vroelant, et al., 2014).

When the function of social housing shifts from supply function to the wider affordability function, the allocation system has also been changed in some countries. The Netherlands used to apply a 'needs-based' system to social housing, but around half of the social housing sector is now covered by 'choice-based letting', which was referred to as the 'application-driven' system in the 1990s (Stephens, et al., 2002). 'Choice-based letting' means eligible households can select social housing according to their needs, rather than waiting on a list for an allocation (Balchin & Rhoden, 2002). 'Choice-based' letting in the UK and the Netherlands is a housing allocation concept that usually presents vacant housing on the internet, or in the newspaper or magazines, so candidates can select a house in an area they would like to live in (Elsinga & Bortel, 2011; Ditch, et al., 2001). Under this system, 'allocations are made on the basis of applicants' points which are notified in advance' (Stephens, et al., 2002, p. 6). Points are awarded on the basis of time: the length of tenancy for existing tenants and age for others. Two other restrictions are also determining factors: 1) the household size must be appropriate for the dwelling, and 2) the household should be able to afford the rent (Stephens, et al., 2002). Meanwhile, a 'priority card' is employed in the Netherlands for the neediest people, and holders of this will be allocated social housing as a priority, but often in relatively poor quality and cheaper units (Stephens, 2008). Thus, under the 'choice-based' system, the candidate with the highest number of priority points will be allocated a unit as long as they meet the other criteria, including household size, income, or age (Elsinga & Bortel, 2011).

Furthermore, a housing allowance is provided in some countries that helps eligible low-income tenants to pay their rent when their 'incomes fall below the maximum levels for their household types' (Ditch, et al., 2001, p. 130). Housing allowances are provided in both the social and privately-rented sectors, providing applicants meet certain income criteria. For example, in the Netherlands, 40% of social housing tenants are dependent upon housing allowances (Elsinga & Wassenberg, 2014).

Although the wider affordability function of social housing aims to provide housing to a broader range of households, the major target group are middle- to low-income people.

Thus, the rent of social housing is designed to be lower than the market rent, although different countries apply different rules. For instance, in Germany this is applied in a market-based way (Droste & Knorr-Siedow, 2007; Thornhill, 2010; Evers, et al., 2014), where the rent of social housing is lower than the market rent, but there is no great difference in ‘very high value area, such as Munich’ (Fitzpatrick & Pawson, 2011, p. 13). In this case, social housing rent is calculated from the ‘cost rent’ of the project, although this causes the rent for social housing to be too expensive for the poor, and even higher than the local average market rent (Ditch, et al., 2001; Droste & Knorr-Siedow, 2007). However, social housing rental levels in France are determined by the cost of construction, meaning that the rent of social housing is, on average, 30%-40% lower than the market rate, and it can be even lower in big cities where older buildings offer lower rent rates (Levy-Vroelant & Tutin, 2007). However, according to Ditch, et al. (2001), the rental rates for social housing in Germany depends on the local financial situation and state sponsorship, rather than the individual circumstances of households and properties. Therefore, the tenant actually pays the rent that is set by the state government, rather than the ‘cost rent’.

However, increasing home-ownership is one of the aspects that social housing has focused on in countries such as France and the Netherlands. Although no Right to Buy (RTB) scheme was introduced in the Netherlands, the housing associations began to sell properties and the Ministry of Housing supplied financial support (at a discount of 25% to 30%) to low-income households who wished to purchase housing from the housing association (Ditch, et al., 2001; Elsinga & Wassenberg, 2014). The sale of social housing units helped to increase the rate of ownership, and the percentage of shared social housing units sold increased from 13% to 31% during 2007 to 2011 (Gruis, 2008; Elsinga & Wassenberg, 2014). However, this scheme caused a concentration of low-income households (Gruis, 2008; Elsinga & Wassenberg, 2014). For example, social landlords in France are reluctant to supply housing to the poorest people (Stephens, et al., 2002; Korsu, 2016), even though ‘a quasi-constitutional right to housing’ has been introduced that promotes matching ‘better housing supply with housing needs’, and applies additional

subsidies to encourage social landlords to supply housing to the most vulnerable households. Nonetheless, some landlords are still unwilling to do this (Stephens, et al., 2002, p. 5). For instance, Paris built 1,150 new units of social housing during 2007 to 2008, but only 15% of these units were purposed to house poor households (Korsu, 2016).

Therefore, enhancing social mix become an important role of social housing. In France, social housing is not only for housing people with housing difficulties but also to improve the social mix by mixing low-income and lower middle-class tenants (Levy-Vroelant, et al., 2014; Fraisse, et al., 2014). While in Germany, although low income is the eligibility for social housing, households do not have to continue to verify their income once they have access to social housing, and will not be evicted except in the case of unacceptable behaviour or rent arrears (Fitzpatrick & Pawson, 2011; Ditch, et al., 2001). These better-off households, who are no longer eligible for social housing, are asked to remain in social housing units to improve social mix, which is referred to as ‘health mix’, and to avoid placing considerable numbers of vulnerable people ‘in a densely populated part of the city’ (Egner, 2011, p. 7; Ditch, et al., 2001).

Additionally, no longer eligible households should be evicted from social housing, such as the income of tenants is 20% higher than the eligible income ceiling in France, or the better-off tenant has to pay tax that can increase to over 20% of the ceiling income in Germany (Ditch, et al., 2001, Social Housing Tenants Face Eviction in France, 2007; Levy-Vroelant, et al., 2014). However, eviction is a ‘complex, long and costly procedure’ in practice (Fougere, et al., 2011, p. 10), and the low rent of social housing (30%-40% lower than average in France) makes it more difficult to ask better-off tenants to leave social housing units, especially in big cities, such as Paris (Levy-Vroelant & Tutin, 2007; Levy-Vroelant, et al., 2014). Hence, the eviction of households that are no longer eligible is difficult to apply in practice in some countries, such as in France.

In countries where social housing has a wider affordability function, one of most important challenges is to clarify its core purpose. Through policy development in the

Netherlands, the main challenge of social housing is the core purpose of the housing association, which cooperates with local authorities to coordinate and plan investment for improving neighbourhoods (Gruis, 2008; Elsinga & Bortel, 2011). However, Elsinga & Bortel (2011) and Elsinga & Wassenberg (2014) argue that the housing association should focus more on its core purpose, helping vulnerable people, rather than improving neighbourhoods. Meanwhile, French social housing has focused on developing home-ownership and improving the living environment of neighbourhoods, rather than serving needy households. At present, some western countries, such as Germany, have started to prioritise ‘urgent need’ households as identified by local authorities, such as single-parent households (Fitzpatrick & Pawson, 2011, p. 10; Ditch, et al., 2001). In France, social housing coverage was extended to cover a wider range of groups, including ‘people of little wealth and in particular workers living principally on their wages’ and extended to people without jobs (Driant, 2011, p. 117).

To sum up, either a large stock of social housing or a broader coverage of housing allowance allows the wider affordability function to be used to house multiple social groups, rather than providing social housing to a specific group. In these countries, social housing usually acts as a ‘two-tier structure’, with the poorest and most vulnerable people not being involved in ‘mainstream accommodation’ (Fitzpatrick & Pawson, 2014, p. 601) and working-class households being the major target of social housing, instead of vulnerable people or the poor in long-lasting social housing. Nonetheless, the importance of housing vulnerable people or those in poverty is gradually being recognised.

2.2.3 Safety net function

The safety net function is regarded as ‘a safety net for more marginal households who would otherwise be homeless’ and it is usually applied in countries that have relatively high levels of poverty (Stephens, et al., 2002, p. 2; Stephens, 2008). Social housing operating for the safety net function is an essential part of the welfare system, where priority is given to households who are unable to obtain decent housing (Fitzpatrick & Pawson, 2014). Although the housing safety net function is aimed at the different

requirement of various types of households, it has three main functions: 1) insurance: support for households facing short-term income drops, such as temporary unemployment; 2) dignity: supplying decent housing to households who are unable to afford housing with their income, such as disabled people; 3) compensation: supplying standard housing to working-class people who cannot afford high price housing on their low income (Houston, et al., 2014b). The UK's social housing is a safety net for vulnerable people, and it is the only country in Europe that has 'a legally enforceable right to housing for specified groups' that is routinely implemented by the courts (Stephens, et al., 2002, p. VII).

Compared with countries that apply the wider affordability function, the UK did not play such a role in increasing housing affordability to various income groups (Stephens, et al., 2002). The UK's social housing safety net is intended to support lower-income households to access decent housing and to meet housing costs (Houston, et al., 2014a). That is to say, 'social housing [in the UK] is highly targeted on people with low incomes and has been shown to be the most "pro-poor" and redistributive major aspect of the entire welfare state' (Tunstall et al., 2013, p. 2, cited in Fitzpatrick & Watts, 2016). Social housing in the UK has performed the housing safety net function since the 1970s, and council housing is its most major form (Fitzpatrick & Pawson, 2007). However, early council housing was targeted at supplying housing to working-class people, rather than the poor. So during the post-war period, council housing was aimed at housing various classes in decent and quality housing (Stephens, 2013). Council housing is not only aimed at providing housing for 'general needs' but it also plays a role in welfare by allowing people to rent housing when they cannot afford to buy it (Balchin & Rhoden, 2002).

In the UK, social housing was provided predominantly by local authorities until about 1990 when housing associations expanded as a result of new development, stock transfers from local authorities, and as local authorities lost stock through the RTB (Mullins & Murie, 2006; Stephens, 2013; Houston, et al., 2014a; Fitzpatrick & Pawson, 2007; Malpass & Victoria, 2010). Now about half of social housing is provided by local

authorities and half by housing associations. As the stock shrank, a greater emphasis was placed on housing people in most need (Stephens et al., 2002). Although the eligibility for social rented housing in the UK has not had an income limit that is in accordance with the principle of prioritising tenants who 'are in the greatest housing need' since 1970 (Stephens, 2008, p. 32). According to Fitzpatrick and Pawson (2007), council housing is aimed at these groups: 1) families with pregnant women or/and dependent children; 2) people who are living in temporary housing; 3) people needing permanent housing for a specific reason; 4) people in social or economic situations that make it difficult for them to get housing from the market; and 5) people who have been identified as homeless by law.

Additionally, subsidised home-ownership is considered as an important approach to building a safety net. The RTB scheme was introduced as one approach to increasing home-ownership (Stephens, 2013, p. 202). The Housing Act 1980 stated that council housing tenants in England and Wales who had been living in their current units for over three years were eligible to purchase them at a discounted price (initially up to 50% of the market value, but later as high as 70%) (Malpass; 2011; Stephens, 2013; Whitehead, 2014). In part, due to RTB, the rapid growth of home-ownership resulted in the UK becoming one of the west European countries with the highest level of owner-occupation in the 1990s, 1.8 million people obtained ownership through RTB (Santos, 2013; Stephens, et al., 2002). With increased owner-occupied and reduced social rented housing, non-profit housing associations took the leading role of social housing over local authorities as the main providers of new social rented housing (Stephens, 2013; Whitehead, 2014; Balchin & Rhoden, 2002). In the UK, housing associations have become the major provider of new social housing (Balchin & Rhoden, 2002), and account for about half of the total social stock.

Shared equity/ownership housing of low-cost home-ownership (LCHO) is provided by housing associations and it is an important method of increasing home-ownership in the UK among low- to middle-income families (Santos, 2013; Bramley & Morgan, 1998). In

the UK, some of low- to middle-income families are referred to as the 'squeezed middle', whose circumstances are such that they would not qualify for social housing, but they also lack the ability to afford decent affordable housing on the market (Santos, 2013). These people generally rent private housing on the market. Shared ownership homes provides first-home buyers with a long-term home that 'purchases a proportion of the equity of a dwelling and rents the remainder' (Bramley & Morgan, 1998, p. 571; Santos, 2013). Meanwhile, shared ownership homes target some groups of people, including social tenants and 'key workers' (e.g., nurses and teachers) (Santos, 2013). From the late 1980s, more affordable homes were provided in order to enhance mixed communities and to 'bringing lower-income households into more affluent areas' (Crook, et al., 2016, p. 3390).

Households usually purchase most of the ownership (70% to 80%) by mortgage, 'with an equity loan (10% to 20%) and a deposit (5% to 10%) covering the remainder' (Santos, 2013, p. 20). Indeed, various sizes of shared equity can be purchased according to the provider and the buyers' income level, and households can buy additional shares if their situations improve, such as if their income increases (Santos, 2013). However, Santos also mentioned some of shared ownership households have difficulty obtaining full ownership because their income does not grow sufficiently.

In order to achieve a degree of choice, as well as fulfilling the safety net function of social rented housing in the UK, it is allocated according to a 'choice-based letting' scheme, meaning the waiting list of local authorities has tended to supply social rented housing 'emphasising housing need', rather than other standards (Stephens, et al., 2002; Mullins & Murie, 2006).

Apart from allocating social housing, Housing Benefit plays a significant role in the safety net of social housing in the UK. This benefit makes a significant contribution to helping many tenants to afford their rent, both in social and private rented housing, and around 60% of social rented housing tenants are supported by Housing Benefit (Kemp, 2008;

Stephens, 2013). The purposes of Housing Benefit are to enhance the opportunities for low-income households to obtain decent quality housing, and also to increase the affordability of housing for low-income households, but also to ensure that sufficient income is left after housing costs to be able to afford adequate non-housing consumption (Kemp, 2008; Mullins & Murie, 2006; Ditch, et al., 2001). Housing Benefit is supplied to tenants in different social and economic circumstances, for example, according to a survey from 2005-2006, eight out of ten single parents with dependent children, seven out of ten single people, half of tenants in part-time jobs, and less than one out of ten tenants in full-time jobs have received Housing Benefit at some point (Kemp, 2008). Housing Benefit is designed to cover a range of people, although it is 'highly targeted on the poor', and provides more help to tenants on the lowest incomes and less to tenants in better circumstances (Kemp, 2008, p. 57; Mullins & Murie, 2006). In addition, Housing Benefit pays rent to social landlords directly rather than to tenants in order to decrease rent arrears (Stephens, 2013; Kemp, 2008) although it has been usual to pay it to private tenants since 2008 and it will also normally be paid directly to social tenants as Universal Credit is rolled out.

Meanwhile, as distribution of the feature of a safety net function, which provides long-term housing, hence, there was no exit system for social rented housing. There are no further eligibility tests or verifications once tenants have passed the initial test to access social housing (Fitzpatrick & Pawson, 2014). A scheme to make better-off tenants in England 'pay to stay' in the sector was included in the 2016 Housing and Planning Act, but has not been implemented (Stephens, 2017).

Social housing is aims at being affordable and allowing households to meet basic housing needs. However, research by Houston, et al. (2014b, p. 10) found that two groups of households are 'falling through' the housing safety net: 1) households whose income is too low to afford their basic housing needs, whether they receive support or not; 2) households who are currently meeting their basic housing needs, but are still at risk due

to high housing costs. Thus, once housing costs increases or income decreases, the second group of households would no longer be covered by the safety net.

Compared with the wider affordability function, the safety net function is designed to provide housing to people who have relatively low incomes or are at risk of being made homeless. This function reduces housing costs or increases the affordability of households so that people can access decent quality housing for the long term. However, another function, ambulance service, supplies short-term social housing to households in the greatest need in order to ease emergency housing problems.

2.2.4 Ambulance service function

Social housing in some of the English-speaking countries, such as the United States, has not applied the supply function as commonly as in European countries, which is reflected in the small scale of their social housing sector (Stephens, 2008). In the US, the stock of social housing is less than 3% of the total housing stock (Ditch, et al., 2001), while around 4%-6% of the total housing stock is public rented housing in Australia, which is smaller than in other European countries, notably the Netherlands (Ditch, et al., 2001; Lennon, 2008; Morris, 2013; Jacobs, et al., 2010). In Canada, at present, 5% of households are living in ‘non-mark social housing’, which involves government-owned public housing, non-profit housing co-operatives and non-profit housing, which means an estimated 95% of Canadian households obtain housing from the open market (Hulchanski, 2007; Lampert & Pomeroy, 1998).

Generally, social housing in these countries is targeted at the poorest or neediest families, which leads to very high demand (Fitzpatrick & Pawson, 2011). Compared with the broad eligibility of the wider affordability function, the eligibility of ambulance service function is ‘very tightly prescribed in terms of income but, increasingly, access is granted only to those who have an additional vulnerability, such as a disability or other support need’ (Harloe, 1978, pp. 31–32, cited in Fitzpatrick & Pawson, 2014). In addition, the ambulance service function only provides short-term housing, meaning that the tenants

will be asked to leave once the emergency circumstances are over (Stephens, 2008). This section considers the social housing policy in the United States, Canada and Australia to explore the ambulance service function of social housing.

In the US and Australia, social housing is referred to as public housing that is government funded and owned (Chisholm, 2008). Public housing aims to providing housing for the poorest households containing vulnerable people for the short term (Schwartz, 2010; Collinson, et al., 2015). For example, in the US, Schwartz (2010, p. 129) notes that ‘public housing was for working-poor families who came from the bottom third of the income scale. People struggling, yes, and occasionally unemployed, with a modest portion receiving public assistance, but striving for better’, such as elderly, disabled, and very low-paid workers (Ditch, et al., 2001; Schwartz, 2010). Public housing in Australia is supplied by State and Territory governments to supply ‘appropriate, affordable and accessible housing’ to a large number of low-income people who need to be housed with affordable rental rates (AIHW, 2010, p. 2), and it consists of ‘a small amount of community housing, which is particularly relevant to households with special needs, or those who require supported accommodation services’ (Ditch, et al., 2001, p. 87). Although the original purpose of social housing was to house working-class people decently (Fitzpatrick & Pawson, 2014), the ambulance service function is aimed at the neediest people, such as those who are in emergency circumstances, staying in transitional housing, or homeless (Morris, 2013; Lennon, 2008). According to the classification of target households in these countries, income is one of the most important factors determining eligibility.

Additionally, countries applying the ambulance service function consider ‘core housing needs’, such as in Canada. The Canadian government applied a principle of ‘core housing need’ to limit the eligibility of householders (Ditch et al., 2001). According to Caragata (2006), ‘core housing need’ is a common measure of the number of people in Canada who have a housing problem of significant severity, such as living in overcrowded conditions (Caragata, 2006; Ditch, et al., 2001)

Meanwhile, in contrast to the wider affordability and safety net functions, the ambulance service function is not intended to provide permanent accommodation. In other words, tenants are only provided with temporary accommodation, and they will be asked to leave their housing when their incomes improve (Chisholm, 2008; Schwartz, 2010). Hence, income is closely related to processing the eviction procedure. In Australia, in order to maintain the efficiency of social housing, if the income of tenants exceeds the eligible income ceiling for a certain period, tenants will be asked to attend reviews and encouraged to access home-ownership if they no longer meet the eligibility of needs test. Otherwise, tenants will be 'levied a rent premium (around three percent) on top of the market rent for the property' if they prefer to stay in their current unit of social housing (Ditch, et al., 2001). In the US, local housing agencies have the right to require ineligible tenants to leave accommodation when their income exceeds 120% of admission limits (Ditch, et al., 2001).

However, Arthurson & Jacobs (2009) indicate that people experiencing some emergency situations are considered as the neediest people, and these eligible applicants are ranked on a waiting list by criteria. In Australia, these situations include escaping from domestic violence, living in poor housing, disabled households with special support needs, and those who have been on the waiting list for a long time. Therefore, households will be allocated social housing as a priority if they are in 'challenging circumstances' or have specific needs, such as being homeless, disabled, elderly, or having health issues, rather than providing housing to low- and middle-income working-class people (AIHW, 2010; Eardley & Flaxman, 2012; Ditch, et al., 2001).

In addition, countries like Australia has forms of social housing managed by not-for-profit organisations, such as community housing, which is 'rental housing provided for low to moderate income or special needs households, managed by community-based organisations that are at least partly subsidised by government' (Eardley & Flaxman, 2012, p. 7). This form of social housing supplies different terms of tenure housing (short-, medium-, and long-term) to low-income and moderate-income people (AIHW, 2010).

Meanwhile, as a form of community housing, indigenous housing not only supplies housing to people who have an indigenous family member with a disability, but also provides 'affordable and accessible housing' (AIHW, 2010, p. 2) for low- and moderate-income people who are younger than 24 years old or over 50 years old (Shelter NSW, 2012). Nonetheless, tenants of public housing can stay in their accommodation as long as they are eligible, and housing agencies can adjust accommodation to 'ensure best use of the housing stock' in order to improve living standards, such as avoiding overcrowding (Ditch et al., 2001).

Additionally, social housing provides several forms of assistance to make housing affordable for low-income people and working families (Schwartz, 2010), as it often does not only supply housing, but also offers a larger number of housing subsidies (Schwartz, 2010). In the US, due to the fact that the public housing programme has developed very slowly and most units were in old buildings, the government almost stopped building new public housing, instead preferring to use other forms of housing subsidies for low-income households, such as vouchers to tenants, and Low Income Housing Tax Credit (LIHTC), which provide tradeable tax credits as an incentive for participants to build housing for low-income households (Collinson, et al., 2015; Olsen & Zabel, 2014; Schwartz 2010; Deng & Zhu, 2013; Buckley & Schwartz, 2011).

Vouchers are an important form of social housing provided to poor people in the US, where subsidies were implemented that not only aimed to assist very low-income people to rent housing on the open market but also to improve their quality of life (Schwartz, 2010; Katz, 2008; Murie, 2013). From 1998, the Housing Choice Voucher programme became the largest social housing programme in the US (Deng & Zhu, 2013). Vouchers will be provided as a priority to people who are in the greatest housing need or are having urgent housing issues (Ditch, et al., 2001; Murie, 2013). However, eligible voucher households have to meet certain standards when renting market housing, such as providing a certain quality and size of housing to avoid overcrowding, and ensuring that people do not live in physically deficient conditions (Schwartz, 2010). This means that,

because of the high rental rates of market housing, many households are still not able to afford the ‘permissible rent levels’ when supported by a voucher (Ditch et al., 2001). Moreover, vouchers are rationed so that the majority of people who meet the eligibility criteria do not actually receive a voucher.

The LIHTC is one form of housing assistance for low-income people (Collinson, et al., 2015). The major approach of LIHTC is to offer various funds based on different situations, such as the location and cost of developers, to invest in rental housing for low-income households (Schwartz, 2010). By reducing the income tax of investors, they are encouraged to supply quality property to low-income households (Schwartz, 2010; Collinson, et al., 2015). Additionally, the Canadian government provides subsidies to low-income families, and helps low-income households who do not have housing (Hulchanski, 2007). It prefers to address ‘social-need’ rather than ‘market-demand’, because many people are too poor to afford market housing rents in the country (Hulchanski, 2007, p. 1; Caragata, 2006).

Social housing has played a predominant role in providing housing to households who are in emergency circumstances, and in solving the housing problems of ‘special needs groups’, which includes the elderly and disabled people (Chisholm, 2008; Morris, 2013). The small stock of social housing, very tightly prescribed access to the system, and increasing demand on social housing has caused very long waiting lists for social housing (Katz, 2008). For instance, the number of applicants on waiting lists increased around 12.4% from 2008 to 2010 in Australia, and the future demand is predicted to increase to 28% by 2023 (Shelter NSW, 2012; Goodman, et al., 2013). In the US, even though the government has applied multiple approaches of social housing to house vulnerable households, the demand for social housing is still great. For example, in 2000, around 7.9 million people lived in areas of ‘extreme poverty’ (Ditch, et al., 2001).

However, as the US’s Housing Act declares that ‘every American deserves to have a decent home in a suitable living environment’ (Deng & Zhu, 2013, p. 181), the housing

demands of skilled workers and newcomers is as high as is found in the very low-income group (Chisholm, 2008). Thus, because of demands on social housing are increasing, unless the government offers more social housing to broader groups, such as moderate-income groups, and addresses the increasing demand for social housing, the shortage of affordable housing will worsen (Chisholm; 2008; Shelter NSW, 2012; Goodman, et al., 2013).

Consequently, social housing in countries applying the ambulance service function usually have a small stock of social housing and apply their access system very tightly. Compared with the wider affordability function and safety net function, the ambulance service function supplies social housing in the short term, and a tenant may be evicted or eligibility may be withdrawn once their emergency is over (Fitzpatrick & Pawson, 2014).

2.2.5 Summary

In western countries, different functions of social housing policy have been employed to meet various housing needs. The supply function played an important role in increasing housing stock particularly in countries that had experienced serious war damage. In Europe, countries with low levels of poverty, such as the Netherlands, applied the wider affordability function to ensure social housing could cover a wide range of residents. However, in countries with high levels of poverty, such as the UK, the safety net function supplies long-term social housing to poor people in order to meet their housing needs. Meanwhile, in English-speaking countries such as the United States, because of their limited housing stock, the ambulance service function is more commonly employed, which is used to provide short-term social housing for people in poverty experiencing emergency situations.

2.3 East Asian Model

Some countries in East Asia, as newly developed countries, have experienced rapid urbanisation and economic development. The high average GDP growth rates exceeded

the rates in western economies, and the agricultural-based economic models have switched to being manufacturing-based, which boosted urbanisation in these countries (Ronald & Doling, 2014). Although war damage caused housing shortages in some countries (such as in Japan), rapid urbanisation and an increasingly urban population promoted the urban housing demands of some countries to the next level (such as in South Korea).

However, social housing in East Asia is not easily classified by the functions that have been applied to social housing in western countries. In fact, Asian social housing has been defined as a part of social policy under the welfare model. This section will take Singapore, Japan, and South Korea (henceforth, Korea) as examples to discuss the models of social housing in Asian countries.

2.3.1 *Productivist model*

In the tradition of Esping-Andersen's *The Three Worlds of Welfare Capitalism*, the welfare model of East Asia has been shown to display the 'main features of what it [the East Asian welfare model] calls a productivist world of welfare capitalism' (Holliday, 2000, p. 707). Holliday (2000, p. 709) claims that the major aspects of the productivist world of welfare capitalism are 'a growth-oriented state and subordination of all aspects of state policy, including social policy, to economic/industrial objectives'. Under the productivist model, achieving economic growth is the over-riding policy objective, regardless of which people it targets in the mainstream population (Groves, et al., 2007c, p. 196). Hence, welfare in East Asia is referred to as economy-driven welfare states, and social policy, including housing policy, is subordinate to economic policy (Groves, et al., 2007c; Holliday, 2000).

According to Groves, et al. (2007b), housing in countries under the productivist model has two features: 1) developing the economy is the major objective; 2) housing is not provided as a safety net that focuses on people who are in greatest need. In other words, social housing is one aspect that is developed to contribute towards greater economic

development. As Phang (2007, p. 15) indicates, housing in Singapore has not only played a role in increasing home-ownership, but also made a great contribution to ‘sustained economic growth in general and development of the housing sector in particular’. As in western countries, Asian countries experienced different phases of social housing development as they addressed different housing issues, such as the significant housing shortages in the post-war period, notably in Japan where there was a shortage of 4.2 million housing units in 1945 (Hirayama, 2013; Dai & Li, 2012).

Meanwhile, the rapid growth of the population, including the considerable number of rural migrants crowding into urban areas, along with urbanisation and economic development, has exacerbated the housing shortage (Park, 2007; Lee, 2014a). Housing shortages were particularly bad in certain areas; for example, in the Seoul Metropolitan Area (SMA) of Korea, a high-density population (nearly 50% of the country’s total population) resulted in housing shortages and issues for low-income residents, including poor living standards (accommodation that is lacking modern facilities) and overcrowding (Park, 2007; Jang & Kim, 2013; Lee, 2014a). Meanwhile, most citizens in Japan lived in significant poverty due to a collapsed economy and industry during the post-war period, and housing was not only relied on to provide shelter to residents but also played a role in the overall reconstruction of the state (Hirayama, 2013). Thus, ‘the framework of post-war housing policy was designed to enhance mainstream society’ (Hirayama, 2013, p. 145). Therefore, as discussed by Dai & Li, (2012), dramatically increasing housing demand resulted in mass housing construction, which was employed in most Asian countries as one feature of the productivist model (Groves, et al., 2007b; Park, 2007). It is considered as a way to enhance home-ownership among the middle-classes, which ‘not only provided housing but was also firmly embedded within the framework of economic development’ (Hirayama, 2013, p. 147).

Home-ownership plays an important role in social housing that is different from what is found in the western model (Lee, 2014b). In Japan, Hirayama (2007, p. 101) notes that the housing system was referred to as ‘focused on the creation of the “social mainstream”

by expanding home-ownership'. Meanwhile, although countries introduced housing systems to cover households with differing income levels, under the productivist model, increasing home-ownership for those on middle-incomes was set as a higher priority than tackling poverty. Thus, for example, Japan developed a high rate of home-ownership, but lower levels of social housing (Hirayama, 2013). Similarly, while the KNHC was established as a government agency to build social housing, KNHC housing tended to meet the housing needs of middle-income households rather than low-income households (Park, 2007).

Meanwhile, countries, such as Japan put forward 'three pillars' successively (the GHLC (Government Housing Loan Corporation) Act in 1950, the Public Housing Act in 1951, and the JHC Act in 1955), which is identified as two tier: encouraging middle-income people to obtain home-ownership by GHLC, while supporting low-income households with public housing and the JHC (Hirayama, 2007). The GHLC aimed to increase home-ownership through providing long-term but low-interest loans to individuals for building their own homes (Hirayama, 2007; 2013) and it focused on middle-income households, encouraging the construction of quality housing (Hirayama, 2007). Thus, the income of a GHLC applicant had to achieve a certain level (Dai & Li, 2012). Meanwhile, in order to ensure housing quality, constructed housing had to meet the basic standards that GHLC required. Thus, home-ownership saw a significant growth with the implementation of GHLC. For example, the rate of home-ownership in Tokyo increased from less than 30% in the early 1940s to around 60% by 1953 (Hirayama, 2007), while across the country as a whole the rate of home-ownership rose from 58% in 1953 to 71% in 1958 (Hirayama, 2013). GHLC was stopped in 2001, but one-third of the total housing units built were contributed towards by GHLC from 1950 to 2001 (Dai & Li, 2012).

Singapore is a city-state country with a highly-dense population in a small land space. It is one of the Asian countries that has the largest public housing stock, which accounted for 82.65% of the total housing units by 2011 (Deng, et al., 2013). Meanwhile, it has a high rate of home-ownership, with around 90% of Singaporeans owning their own homes

(Phang, 2007). The concept of public housing ownership in Singapore is referred to as transferred 99-year leasehold interests to unit owners (Deng, et al., 2013), rather than as social good that is provided by government and allocated to eligible Singaporeans at concessionary prices (Deng, et al., 2013). In Singapore, two major public agencies were formed that not only built the social housing system, but also played a role as an instrument to implement different social housing policies: the HDB and the Central Provident Fund (CPF) Board, including public housing and social rented housing (Deng, et al., 2013; Phang, 2007; Lee, 2014b; Holliday, 2000). The HDB, as the major public housing developer, plays the most important role in solving housing shortages in Singapore. The HDB focused on alleviating the problem of overcrowding and poor hygiene in the post-independence periods by providing public housing units in the shortest possible time (Deng, et al., 2013). However, although public housing in Singapore has the highest coverage, it does not cover every group. The eligibility of public housing must satisfy three conditions: income limit (various, depending on the unit size which is applied for), non-ownership of private property while applying for public housing, and citizenship status (Phang, 2007).

HDB aims at providing housing to all Singaporeans who are in need of housing (Phang, 2007), especially after launching the Home-Ownership for the People Scheme (HOS) nationally in 1964. HDB provided most of the public housing units and promoted the rate of home-ownership in order to encourage lower-income Singaporean citizens to buy their own homes (Deng, et al., 2013; Phang, 2007). In 1960, only 6% of the total population were covered by HDB, but considerable dwelling units in different sizes (from one-room to five-room and executive flats) had been provided by HDB, and public housing stock achieved 88.07% in 1995 (Deng, et al., 2013; Ronald & Doling, 2014). Additionally, home-ownership in Singapore increased from 29% in 1970 to over 90% by 2000 with the implementation of HOS (Deng, et al., 2013; Phang, 2007). Meanwhile, HDB sold land to private developers and involved them in public housing projects. The DBSS (Design, Build, and Sell Scheme) and EC (executive condominiums) are designed for the 'sandwich' group who are not eligible for HDB flat applications. However, although they

are parts of public housing projects, these are designed, constructed and sold by private developers, and they are sold at open market prices. Thus, these households are supplied with housing grants by the government to purchase these housing units (Deng, et al., 2013).

Except providing housing units, financial support and subsidies are employed in Asian countries. In Singapore, the CPF operates as social security for working Singaporean citizens and permanent residents (SPRs). It is 'a mandatory saving scheme, to finance a range of different welfare services: housing, healthcare, insurance, tertiary education and retirement' (Phang, 2007, p. 18; Deng, et al., 2013). From 1968, the CPF has been used as financial support for public housing (Public Housing Scheme) and private housing (Approved Residential Properties) purchases (Deng, et al., 2013; Phang, 2007). These two schemes are significant for increasing home-ownership. Moreover, there are some subsidy schemes for low-income families in Singapore. For example, in 2006, the Additional CPF Housing Grant (AHG) scheme was introduced by the government. This scheme provides subsidies for low-income families, in order to help these households with a monthly family income that is less than S\$4,000 to buy their first unit (Deng, et al., 2013).

Furthermore, some East Asian countries apply rental social housing to low-income households (Hirayama, 2014). So Japan's public housing 'is provided for low-income households at subsidized rents' (Hirayama, 2007, p. 104). According to the same research, the 'deserving poor' is the target group that public housing focuses on, but the lowest-income people in Japan did not benefit from public housing. Meanwhile, the rent of public housing is adjusted according to households' incomes (as is also employed by Australian public housing), as well as the location, size, and quality of the housing unit (Dai & Li, 2012).

JHC is another approach to providing rental social housing in Japan that 'was founded as a national-level public corporation to develop multifamily housing estates for both rent

and sale for urban middle-income groups' (Hirayama, 2013, p. 145). JHC housing mainly targets families of four, but, different from the GHLC, JHC housing covers the 'sandwich' group whose income does not place them in the low-income group, but they still cannot afford market housing. Thus, the income threshold of JHC is set as an income range (with a minimum income and ceiling income) rather than only a minimum income (Dai & Li, 2012). However, with housing system improvements, JHC housing has been of less interest to households because of its poor location and housing structure. Hence, the JHC mainly purchased and rented private housing, rather than constructing new housing units after 1980 (Dai & Li, 2012). However, due to the Japanese government focusing on boosting home-ownership rather than developing the social housing sector, the rate of rented housing stock of public housing and JHC housing is low, only amounting to 5% and 2% of the total housing stock (Hirayama, 2013).

In addition, the allocation system of general social housing has not always actually met housing needs. In Singapore, as Deng, et al. (2013) and Phang (2007) discuss, before 1994, the significant demand for new HDB flats exceeded the supply and a 'lottery' was applied as an allocation approach in a balloting system. This approach caused uncertain allocations and long waiting times, in some case for as long as seven years. In 1994, the queuing system, also referred to as the Registration of Flat System (RFS), replaced the balloting system as the allocation approach. This system assigned applicants from a queue based if a unit was available in the location of the new flats they had applied for. However, the supply of HDB flats was far less than the demand; for example, in 1997, 30,000 new flats were available to meet 146,000 applications on the RFS queue system. Thus, the waiting time under RFS was as long as 4.8 years on average. Meanwhile, the allocation of public housing is arguably 'crowding out of consumption' (Phang, 2007, p. 39). Especially for applicants of DBSS and EC, private developers apply a price-based allocation system that causes 'price volatility and crowding-out effect on low-income households' (Deng, et al., 2013, p. 107). In other words, some households with housing needs would find it difficult to access this kind of public housing.

Therefore, under the productivist model, housing is viewed as a significant approach to enhancing economic development, thereby social housing did not emphasise the housing needs of poor people.

After experiencing a lot of housing construction and rapid economic growth, some Asian countries sought to provide adequate housing with good living conditions through social housing models, especially when housing stock and the quantity of demand achieved a balanced level, such as in Japan (Hirayama, 2014). In addition, with the demographic structure changing, Japanese conventional family households have declined while small households have increased, which includes single, couple-only, and elderly-only households (Hirayama, 2007). Thus, increasing the housing stock is no longer the most important task, as it has instead moved towards providing quality housing and housing vulnerable groups. Hence, the model has shifted from a productivist to a welfarist model.

2.3.2 *Welfarist model*

With the rapid growth of the economy, the speed of economic development in East Asia has exceeded that in western countries, and increasingly the scale of social housing and the high rate of home-ownership has resulted in the model of social housing which shift from productivist model to welfarist model (Groves, et al., 2007c). For instance, Japan established the Housing Safety Net Law in order to secure low-income groups rather than the mainstream population, such as the elderly (Hirayama, 2013).

In Japan, compared to the GHLC and JHC, public housing has the social characteristics of social housing that is referred to as ‘welfare housing’. However, ‘public housing has indeed been marginalised’ (Hirayama, 2013, p. 146) and it has been separated from mainstream society since the 1970s, instead focusing on housing households with the lowest-income level, the elderly, and disabled people (Hirayama, 2007). Public housing is not only provided by the government, but corporate-based employee housing and private market low-rent housing also contributes towards the number of public housing units required to meet the demand (Hirayama, 2013; Hirayama, 2007). The Housing

Safety Net Law was established in 2007 in order to form a housing safety net that identified 'low-income groups, including homeless people, disaster victims, single-parent households, and the elderly, as well as households rearing children, as 'people qualified for public support in securing housing' (Hirayama, 2013, p. 152). The major purpose of forming a housing safety net is to solve the housing issues of low-income people by providing public housing to those who are identified as belonging to a low-income group, such those having difficulty finding employment. However, due to the limited quantity of rental social housing units, new housing programmes were sought to support the implementation of the housing safety net, such as encouraging landlords of private rental housing to rent their housing to low-income elderly people.

Meanwhile, public housing in Singapore is not regarded as having welfarist features because it is considered as important for the development of the economy. However, with economic growth and development, a high rate of home-ownership and wider coverage of public housing could be referred to as exhibiting welfarist features. For example, although public housing can be sold in the open market according to some conditions, compared with the resale price of HDB flats, the price of new HDB flats is more stable and affordable. The price of three- to four-room flats are fixed at an average household income level in order to make sure 90% of households can afford 70% of new four-room flats (Phang, 2007). Moreover, Singapore has one of the highest living standards, with 74.4% of households living in units with four rooms or more (Lee, 2014b). Furthermore, Singapore's social rented sector is referred to as part of the social housing sector. Rental social housing provides minimum standard housing (one-to-two room) units to: 1) families whose income is less than a certain amount when they apply; 2) people in transitional periods, such as waiting to be allocated ownership of property; and 3) foreigners (Phang, 2007). Meanwhile, the rent of rental social housing is adjusted according to the income of households. For example, the rent for residents whose income is between S\$801 to S\$1,500 is fixed at 30% of the market rent, and households with an income less than S\$800 are charged rent at 10% of the market rent (Phang, 2007).

In Korea, social housing has emphasised rental rather than home-ownership social housing. Korea started social housing relatively late with the launch of *the Two Million Housing Construction Programme* during 1989 to 1993 to improve housing supply, which was to be one of the most important programmes for social housing development in Korea (Jang & Kim, 2013; Lee, 2014a; Park, 2007). With the growth of house prices and the process of demolishing low-cost housing, social housing has received significant attention and has played a leading role in urban housing construction since 2002 (Jang & Kim, 2013; Lee, 2014a). With the population structure changing – including increasing numbers of single households, fewer four-member families, a low birth ratio, and the high rate of elderly population – this has caused change in social housing demand (Jang & Kim, 2013; Lee, 2014a). High private rent resulted in social housing and rent subsidies, which are important aspects of housing welfare that play a vital role in addressing the needs of low-income households.

As the existing stock of public housing was insufficient to meet the increasing demand, such as in the Seoul area, there were over 20,000 households on the waiting list for permanent rental housing in Seoul by 2012; therefore, several housing provisions were proposed in order to increase the public housing stock and extend the coverage of public housing (Jang & Kim, 2013). For example, the National Public Rental Housing (NPRH) provided 119,000 units of rental social housing during 1998-2002, then launched the One Million NPRH Plan (2003-2012) in 2002 (Lee, 2014a). In 2007, another social housing programme, shift programme (is referred to as: long-term jeonse housing) was introduced by the City of Seoul that was introduced to cover middle-income people, encouraging these middle-income residents to rent shift housing rather than to obtain home-ownership (Jang & Kim, 2013; Park, 2015).

As Groves, et al. (2007c, p. 204) discuss, Korea has applied ‘a new dual interventionist role, maintaining the promotion of finance for home-ownership but envisaging a growth in public sector housing for rental and for subsequent ownership’. At present, Korean social housing includes permanent public rental housing (PPRH), which is offered to

extremely poor residents and the most vulnerable people, aimed at helping these residents to meet their housing needs, as well as purchased and leased housing for the poorest households, national rental housing for households whose income is less than 50% of their average monthly income, shift housing for the middle-income households, and the redevelopment of rental housing for re-settled households (Jang & Kim, 2013). Jang and Kim (2013) and Lee (2014a) discuss three classifications that can be identified among these types of social rental housing for various households, each of which charge different rent rates:

- The first tier includes PPRH and purchased public housing that is for the lowest-income residents, whose income is less than 50% of the average monthly income, and whose rent is charged at around 10% to 20% of the market rent.
- The second tier covers households whose income is less than 70% of the average monthly income and it consists of the redevelopment of public housing and national public housing. The rent of redevelopment public housing is 50% to 70% of the market rent, and national public housing is charged at 70% to 80% of the market rent. National public housing involves different unit sizes, and size is allocated based on income level – households with an income of less than 70% of the average monthly income are provided with units up to 50 m², and families with an income less than the average monthly income are allocated units larger than 60 m².
- The third tier is shift housing for middle-income households (income is less than 180% of the average monthly income), and they are charged rent at 80% of the market rent. Like national public housing, shift housing provides different unit sizes for households in different income groups.

Meanwhile, the allocation approach has changed with the development of social housing. The allocation of housing in Japan is done using a lottery approach. However, waiting times vary depending on the location where the applicant wants to live, although priority

is given to households containing vulnerable people, such as disabled or elderly individuals (Dai & Li, 2012).

In Singapore, with the increasing public housing stock, the allocation systems of public housing have now balanced to cover the households who are experiencing housing needs (Phang, 2007). According to Deng, et al. (2013) and Phang (2007), with increasing numbers of HDB new flats units, the supply has exceeded the demand, which means existing RFS applicants can select from unsold flats under the Walk-In-Selection (WIS) scheme from 2002. Meanwhile, the Build-to-Order (BTO) system (new flats are constructed based on demand) replaced RFS as the new allocation system. However, although high demand would increase the number of new flats built, a shortage of demand will cause delays in construction programmes, which can also extended the waiting times for applicants.

Additionally, with increasing social housing stock, coverage has been extended. Public housing in Singapore not only helps Singaporeans to obtain home-ownership, it also provides quality flats to ensure the standard of their living conditions. At the same time, rental social housing and subsidy schemes also provide support to help low-income families meet their housing needs. In Korea, the number of social housing units has increased to 5% of total housing stock nationally through mass construction (Jang & Kim, 2013). Meanwhile, the Seoul government announced a plan to supply 80,000 units, including using private land to construct social housing in order to achieve a cooperative approach from 2011 to 2015 (*ibid.*). Additionally, although large-scale construction of social housing is no longer expected in the future, several programmes were introduced to expand its coverage. For instance, elderly and single residents are covered by the NPRH programme, the Urban-Life Housing programme is designed for low-income households and college students, and the city-level 'Hope Housing Project' is designed to accommodate college students (Lee, 2014a; Jang & Kim, 2013).

2.3.3 Summary

Social housing is identified in East Asia as an important contributor towards economic development. Social housing in East Asia cannot be classified using the same functions as are used to describe social housing in western countries; rather it is closely related to the economic framework. During the peak period of economic development, middle-income people were encouraged to obtain home-ownership as they were the primary focus of housing policies rather than low-income or vulnerable people. However, with economic growth slowing down and housing stock and home-ownership increasing, the focus has transferred to meet housing needs that displays 'welfarist' features. Thus in Japan, policy focuses on specific groups (the elderly, etc.), and in Korea on building three-tier social housing to cover various households at different income levels.

2.4 Conclusion

As is demonstrated by the various countries discussed, different housing models have been applied in western and East Asian countries. Through a review of housing policies across western and East Asian countries, this chapter explored the functions and characteristics of social housing in different places. From this review, some specific points about social housing have been established.

Firstly, social housing cannot meet all needs, either under western models nor East Asian models. In western countries, gaps between the functions have appeared. For example, the ambulance service function aims at housing the neediest people, or the poor with specific housing issues, however, its tight eligibility threshold means some people fail to access social housing who should be covered. Meanwhile, the purpose of the wider affordability function is to cover a relatively wide range of residents, including middle-to low-income people, especially to increase social mix by allowing better-off households to continue living in social housing. In Asian countries, massive social housing construction was used to boost the economy, and home-ownership was designed for middle-income households but not low-income people. These gaps do not meet the principle of social housing: allocating housing by need.

Secondly, when facing similar housing issues, countries implement different social housing policies to tackle them. In the post-war period, removing the housing shortages was the major goal in most of European countries, while some countries in East Asia, such as Japan, needed to address increased housing demands. European countries, including the Netherlands, employed the supply function in order to ease housing shortages. With housing stock increased to the balanced level, the wider affordability function is applied to cover a broader range of households, mainly middle-income households, with rental social housing. However, in contrast to western models, social housing in East Asia aimed to meet housing needs within the market, enhancing economic development by providing home-ownership to middle-income households, although massive social housing construction took place. In other words, social housing is as economic booster.

Thus, thirdly, although social housing was developed under different society-economic statues in western and East Asian countries, according to the social housing implementation in each country, it is possible to apply the functions of the western model to East Asian countries. For instance, regardless of whether social housing is provided for rent or ownership, covering a wide range of middle-income households is the main goal of countries that apply the wider affordability function and in most East Asian countries. Thus, the wider affordability function can be applied to East Asian countries. Meanwhile, a safety net function is considered in some countries while the East Asian model has started to shift from productivist to welfarist, as is the case in Japan after it introduced the Housing Safety New Law in order to cover low-income and vulnerable people, including homeless people.

This chapter reviewed international conceptualisations of the role of social housing in order to develop a theoretical framework for interrogating the role of social housing in China. Although this chapter only provided an outline of social housing function and characteristics in western and Asian countries, this examination has provided some useful

concepts to help consider the purpose, development, and implementation of social housing in China – as is attempted in the next chapter.

Chapter 3: Urban Poverty and Housing Challenges in China

3.1 Introduction

With the advent of urbanisation, intervention in housing has become a significant element of social and economic policy in many countries. However, most housing in urban China was privately constructed by households themselves before 1949 (Zenou, 2011). Then China experienced a number of housing policy reforms from 1949 onwards, and the economy entered a rapid period of development following the implementation of the Open Door policy in 1978. However, the speed of economic growth also caused an increasing income gap between well-off and low-income groups (Wang, 2004b). Thus, society became increasingly divided into different income levels, and the number of middle- to low-income households grew along with an increasing income gap. In addition, the welfare system changed (e.g. abolition of the work-unit housing distribution system and the rapid shift to housing marketisation) and economic reforms (e.g. declined of the SOEs) caused an increasing number of households to seek housing on the open market.

Meanwhile, economic reforms and rapid urbanisation brought emerging urban poverty, while rapidly growing housing prices under housing marketisation intensified housing issues. The economic reforms saw a fundamental transition from a ‘nearly collapsed planned economic system to a very dynamic market system’ over three decades (Wang, 2005, p. 223). At the same time, the speed of urbanisation attracted rural migrants to come to the cities to seek work. From the 1980s onwards, the growing trend of rural-urban migration brought poverty to urban areas (Wang, 2004a; Wang, 2004b; Yi, 1998; Chen, et al., 2006; Wu, et al., 2010). Hence, the housing challenges posed by emerging relatively urban poverty attracted the government’s attention.

This chapter will outline the growth of urban poverty in China and trace the timeline of major Chinese housing policy reforms to provide the context necessary for a detailed discussion of the social housing policy that currently exists in China.

3.2 Urban Poverty and Associated Housing Issues in China

During the period of Chairman Mao, there were said to be two major social groups in China: ‘the people’, who are ‘the master of the state’, and ‘the enemies’ (Zhu, 1998). ‘The people’ included workers, party cadres and other ordinary urban residents, and ‘the enemies’ included anyone who questioned the regime or were assumed to be against it, such as landlords, better-off people, and the so-called ‘anti-revolutionaries’ or ‘revisionists’ (Wang, 2000). The economic situation of most urban families was very similar during the socialist welfare period (1949-1977). However, with economic and social development from 1978, this political classification of residents became less important, and new social groups were instead defined mainly by the outcome of economic reforms, with these social groups having very different standards of welfare depending on their work status and the sector that they worked in (Huang, 2013). Especially following the implementation of the Open Door policy, new social groups were created by the opening up of the urban economy to private enterprise, such as small traders and business people (Wang, 2000). Generally, this group had a high income and more benefits than those households who were working in the public sector (Wang, 2000).

Furthermore, people’s educational backgrounds and skills are linked with urban poverty. Skilled and well-educated people have high employability rates, providing many of them with a high income and good benefits, while people with a poorer educational background are highly likely to be living in poverty (Liu, et al., 2005; Yi, 1998; Wang, 2000, 2004b, 2005; Chen, et al., 2006; Li & Knight, 2002). Since 1979, the gap in income between the lowest and most highly paid households has increased, particularly due to the effects of the economic reforms and rapid urbanisation (Wang, 2000; Hao, 2009). This section will

introduce the general situation of urban poverty in China, and explore how this relates to the current housing situation.

3.2.1 Urban poverty

Wratten (1995) and Gordon (2006) provide a definition of poverty that is based on income and consumption. As the World Bank Group identified: ‘poverty is routinely defined as the lack of what is necessary for material well-being – especially food but also housing, land, and other assets. Poverty is the lack of multiple resources leading to physical deprivation’ (The World Bank Group, n.d., p. 26). Poverty is not only about having monetary shortages, but it also influences multiple aspects of people’s lives, including lack of food, shelter, health care, education, and not having a job. In other words, absolute poverty describes people in economic difficulty who cannot meet their basic needs (Mingione, 1996)

In practice, in order to identify if people are living in poverty, income or expenditure is applied as the most common measurement. According to Hussain (2003), urban poverty describes households who fall below the poverty line; if either their income or expenditure is lower than the given poverty line, the household is considered to be living in poverty. Internationally, there is a poverty line that is applied as an approach to measure the poverty: a person is believed to be in absolute poverty (or “extreme poverty” as the UN calls it) if they are living on under \$1.25 dollar² per capita per day (Department of Economic and Social Affairs, 2009).

In China, the government also created a programme to combat poverty nationally, which is referred to as the Minimum Living Standard Support (MLSS) (Dibao) (Hao, 2009; Solinger, 2015). People fall below the MLSS line are considered to be living in relatively poverty. Relative poverty is identified as ‘a social living status maintained when one’s

² This international absolute poverty line was adjusted to \$1.90 a day by the World Bank in 2015. However, the proportion of people living in poverty has decreased no matter whether the poverty line has been increased or not (The World Bank, 2015).

income is a certain degree below the average in society' (Yan, 2016, p. 6). The MLSS was introduced in 1993, and Shanghai was the first city that implemented this programme as a measure to tackle urban poverty (Solinger, 2015). The MLSS line has a *relative dimension* and it rises with economic growth, as well as being associated with the local economic circumstances in individual provinces (Hao, 2001; Hao, 2009). Each city sets its own MLSS line depending on local disposable urban income levels, meaning that a richer city will have a higher poverty line. For example, in 2013, the national average MLSS was set at 362 yuan monthly per person, but the local line was drawn from as low as Ningxia (277 yuan) to high as Shanghai (640 yuan), while the national average disposable income per capita was around 2,246 yuan (Solinger, 2015; NBS, 2014). However, this makes it difficult to estimate the total number of people affected by urban poverty in China (Park & Wang, 2010), although, according to World Bank data, over 7.7 % of the total registered urban population were on the MLSS line in their cities in 2006 (Solinger, 2015).

As poverty was previously concentrated in rural areas, urban poverty was not treated as a significant issue until 1995. Indeed, the both absolute and relative poverty rate in urban areas was low during China's planned economic period because 'the income distribution was highly egalitarian' (Wu, et al., 2010, p. 4). During this time, urban residents not only had 'an extensive system of rationing of the basic means of livelihood in the cities, which ensured that all urban residents had equally access to basic subsistence resource', but were also covered by the welfare system and full employment system (Wu, et al., 2010, p. 4). Relative urban poverty is thus regarded as 'an emerging and complex phenomenon', which mainly resulted from SOEs reform, a changing welfare system, and rural to urban migration (Wu, et al., 2010, p. 1).

Therefore, in urban China, as economic reforms intensified the issues of urban poverty, the government increasingly categorised poor households into different groups, such as 'low-income' and 'vulnerable' (Wang, 2004b). In the following section, those affected

by urban poverty are divided into two major groups: the traditionally impoverished and those experiencing new urban poverty.

The traditional poor have been referred to as belonging to a 'three-no category', that means 'no ability to work, no source of income, and no relatives or dependents' (Hao, 2001, p. 5). The traditional poor have existed in China for a long time, but this group was not considered as an important issue before the Open Door policy was implemented in China, and most of those affected lived in rural, rather than urban, areas (Wang, 2004a). However, with the expansion of urban areas, some of these people found themselves to be living in urban poverty. Generally, this traditionally impoverished group have larger families than is the average in urban areas and most of them live in slums (Wang, 2004b).

As well as those experiencing traditional poverty, other groups are dealing with the results of urban poverty. Due to economic development and the increasing income gap, new urban poverty has risen along with rising inequality. A significant group living in relatively poverty that has grown in post-reform China consists of laid-off workers and migrants (He, et al., 2008),

Laid off workers are those 'people who lost their jobs either completely or partially from state-owned enterprises' (Wang, 2004b, p. 60). An increase in the number of these workers was caused by economic reforms in the 1990s. While well-performing SOEs provided a better salary and benefits to their employees, those that were performing poorly had to lay off some of their employees (Wang, 2000). From 1998 to 2002, due to major efficiency reforms, the SOEs laid off considerable numbers of workers, According to the NSB in 2001 and 2003, between 1998 and 2002, the number of employees working for SOEs decreased from 107.6 million to 69.2 million across China, a total reduction of 36% (Wu, et al., 2010). A number of the laid-off workers were re-employed by the private sector, or became self-employed, and rapid economic growth created increasing employment opportunities for them. However, considerable numbers of people laid-off from SOEs increased the unemployment rate, which reached 3.6% of the urban

population by 2001 (Wu, et al., 2010). Therefore, this trend of urban poverty is highly related to employment levels, as SOE reform reduced the state-owned sectors and created substantial numbers of laid-off workers, which, in turn, increased the number of people living in relative poverty in urban areas.

Laid-off workers are classified among the unemployed, although there are some differences between this group and other unemployed people because they still had a relationship with their employers and are supplied with redundancy compensation (Wang, 2004a). However, the redundancy compensation provided is usually very small and also, due to the lack of supporting social programmes, most people who are laid off experience urban poverty while unemployed (Liu, et al., 2005). For example, the average income per capita of 49% of laid-off workers was lower than the MLSS line in 1999 (Li & Knight, 2002), and urban poverty was even higher in some industry-concentrated regions (Department of Economic and Social Affairs, 2009). The government encouraged employers to re-employ the laid-off workers, meaning that those workers who were skilled or better educated had more opportunities to obtain new jobs. However, low-skilled workers continued to have difficulty finding stable jobs and this group became a major section of the urban poor (Wang, 2000; Yi, 1998). For instance, 38.8% of MLSS recipients nationally were formerly employees of SOEs in 2006, while the traditional poor only accounted for 4.2% (Wu, et al., 2010).

Meanwhile, from the 1980s, with rapid urbanisation and economic growth, increasing the number of rural to urban migrants became vital in urban China, especially in the large and coastal cities, which created another group of people living in urban poverty: poor migrants (Wu, 2004; Park & Wang, 2010). In the 2000 census, migrants accounted for around 12.2% of the urban population, 14.6% in the cities, and they made up 19.6% of employed workers (Park & Wang, 2010). Thus, Wu, et al. (2010) find that urbanisation has moved rural poverty into the urban areas, and this has increased the number of people living in urban areas who are poor.

Research has demonstrated that rural-urban migrants are a ‘floating’ or ‘temporary’ population. Research indicated the key features of rural-urban migrants' employment includes low pay without any benefits, ‘temporary or insecure contracts’ (Wang, 2000, p. 851), dangerous work and ‘hard physical labour’, indicating that these rural migrants are often hired to do hard and dirty work that urban people are unwilling to do (Wang, 2004b; Wang, et al., 2010; Park & Wang, 2010; Hao, 2009). For example, a survey in 2006 found that 65% of migrants were employed in ‘three-D jobs’ (dirty, dangerous and demeaning) across China (Nielsen & Smyth, 2008). For example, the average annual income of construction sector workers, which is an area employing many migrants, was 48,886 yuan, while the national average annual income was 62,029 yuan in urban areas (The Statistics Portal, 2017). Increasingly, labour migrants have become a significant feature in urban China; around 277 million rural migrants lived and worked in China’s urban areas by early 2016, with the numbers continuing to increase every year (Chan & Selden, 2017). However, with increasing unemployment, employers prefer to employ residents with a local Hukou rather than migrants (Wang, 2004b). Thus, less opportunities and low-paid work resulted in a growth in the number of rural-urban migrants affected by urban poverty (Yi, 1998; Chen, et al., 2006).

If this rate of rapid development continues, the spread of urbanisation will reach 70% by 2050, and that will bring considerable numbers of rural migrants to urban areas (Jiang, et al., 2005). Migrants will be an even larger part of the urban population, therefore there is a fundamental need to tackle the housing problems experienced by rural migrants.

3.2.2 Housing issues presented by urban poverty

Due to their low incomes, households affected by urban poverty live in houses with a very poor quality environment (Wu, 2004). Although living conditions have improved somewhat with urbanisation and economic development – for example, the national average floor space per capita increased from 3 m² to 20 m² between 1949 and 2000 – most of the urban poor still live in poor conditions, especially rural migrants (Liu, 2009a;

Wu, 2004). Although Chinese housing policy went through several reforms aimed at improving the housing situation in urban China, as will be discussed in a later section, those in urban poverty still experience serious housing issues.

According to Liu, et al. (2008), many low-income workers without any benefits were living in poor conditions before they were laid off, but after they were laid off their conditions worsened. Especially after housing distribution via work-units was stopped, reliance on commercial housing drove the price of housing upwards meaning that a huge number of urban poor were stuck living in in bad conditions (Wang, 2004b).

The housing issues of those in urban poverty included poor facilities and overcrowding. For instance, in Chongqing and Shenyang, more than 35% of households lived in single room, some of them had to share one housing dwelling with two or more families, 12% had to share a kitchen with other families, and only 20% of households had a private indoor toilet, while 63% had to use public toilets (Wang, 2004b). Meanwhile, some urban poor households lived in old traditional housing in central areas. Due to limited financial capacity, these people had to improve their housing conditions by resettling elsewhere when urban renewal programmes were applied in their areas (Wang, 2004b; Liu, et al., 2008).

Compared with local residents, research has shown that rural-urban migrants experience the most significant housing problems and are in a worse housing situation than locals living in urban poverty (Wu, 2004; Liu, 2009a).

Firstly, migrants often have to pay more rent than local residents because they cannot access social housing like local low-income residents (these subsidies are discussed below) (Jiang, et al., 2005). The lack of local social welfare protection (health care, education, social housing, etc.) means that these migrants, especially rural migrants, face greater challenges balancing their living costs (Hao, 2009). Thus, most rural migrants choose market rental housing (Jiang, et al., 2005; Ministry of Civil Affairs Research

Center, 2015). As the largest expenditure on households is living cost, relatively high housing rent aggravates the economic burden of these rural migrant households (Ministry of Civil Affairs Research Center, 2015).

Secondly, migrants experience poor living conditions and there is a high risk of areas with high urban poverty becoming slums. In order to reduce living costs, rural migrant households have to select low-rent housing and these dwellings are usually privately owned and poor quality. Hao (2009) found that 88% of rural migrants lived in privately and poorly constructed housing on the edges of the city in 2003. These areas are usually far from cities' centres and some are a long distance from work sites (Wang & Wang, 2009; Liu, 2009a). Meanwhile, some urban areas have a high concentration of migrants (e.g. urban village), such as Zhejiang village in Beijing (Jiang, et al., 2005; Huang & Tao, 2015). Additionally, construction sites are also often surrounded by areas with a high concentration of migrants. For example, over 20% of migrants were living on construction sites in Beijing in 2002 (The Beijing Municipal Bureau of Statistics, 2006). These migrant-concentrated areas are usually in poor neighbourhoods, which are badly managed with poor living conditions, such as having roads that become muddy when it rains and poor drainage, and there can be security problems in these areas of concentrated poverty (Wang, 2000; Yamaguchi & Shinya, 2009; Wang & Wang, 2009; Mao & Zhao, 2014; Li, 2014a; Huang & Yi, 2015). Thus, these low-income areas with a high migrant concentration are at high risk of becoming slums.

Thirdly, there is the issue of overcrowding. Shared housing is common in areas with many rural migrants, and it exists in both market rental housing and construction sites. In 2000, the average floor space per capita was 20 m² in the state, but the floor space per capita of 21% of migrants was only 4-6 m², 17% of was 2-4 m² and 5% of was less than 2 m² (Wang, 2004b; Wu, 2004; Wang, 2003). For example, some of rural migrant households rent basements with very small floor space (e.g. a basement of 8 m² for a couple) in order to reduce the living cost of housing (Huang & Yi, 2015). Additionally, research conducted in Shenzhen in 2006 showed that 40% of migrants were sharing a room or flat with other

families, and the individual space per person was about 7.7 m². In some cases, people were sharing a flat with 20 people, and each individual's space was only 2-3 m² (Jiang, 2012).

Connected to the issue of shared housing is a lack of facilities in some areas with a high concentration of migrants (Liu, 2009a; Huang & Yi, 2015). Many migrant households do not have their own toilet or internal kitchen, and they have to share these facilities with other families, or use public toilets and cooking facilities outside of their homes (Wang & Wang, 2009; Wang, 2004b; Wang, et al., 2011; Mao & Zhao, 2014). Therefore, rapid economic growth and urbanisation has resulted in increasingly severe housing issues for the urban poor, although social housing policy has been introduced in China in an effort to ease these for those living in situations of urban poverty.

3.3 Housing Policy Reforms in China

After the People's Republic was founded in 1949, it established 'a socialistic public housing system' (Hui, 2009, p. 381), and urban housing became fundamental to social welfare policy (Wang, 1995). In order to address growing housing problems, the government's main response over the next few decades was to construct housing units for allocation to employees (Zhou, 1999; Wang, 1995).

According to Zhou (1999, p. 6), 1981 marked the next big housing reform, establishing housing policy as 'social housing rather than an economic sector'. Although the Open Door policy improved housing marketisation, work-unit (Danwei)³ housing implementation caused employees to rely on work-unit housing allocations rather than seeking housing on the market (Wang & Murie, 1996).

³ Danwei included the state-owned enterprises, government offices and public institutions. Under the planned economic system, Danwei offered housing, as well as providing medical, educational and other benefits (Hui, 2009).

In response, and also to address the growing housing problems facing lower-income groups, as well as to boost supply of stock, the 1998 housing policy reform was introduced, which put forward the idea of housing policy conceived not as ‘socialisation’ but ‘marketisation’ (Hui, 2009, p. 384). This housing policy reform introduced ‘diversified housing supply system’ for different income households (Wang, 2011, p. 21). This section will present brief review of Chinese housing policy reforms in recent decades.

3.3.1 Housing policy (1949–1977): socialist welfare period

According to Hui (2009), the aim of the socialist social housing system implemented in China from 1949 onwards was to establish housing as a fundamental welfare right for urban residents, in which the majority is working class (Hui, 2009). The years 1949 to 1978 are referred to as the ‘socialist welfare period’ and the ‘socialist social housing system’ dominated the development of housing policies. Housing was as one of socialist welfare rather than a commodity that did not been treated in market. During this period, the government considered housing construction ‘non-productive’, in that it could not yield the profit that could be achieved by investing other programmes, such as industrial factories (Chaichian, 1991). Thus, due to a lack of investment, this socialist welfare housing system resulted in housing shortages and poor living conditions.

During this period, there were two major types of housing in urban China: privately constructed housing and work-unit housing (Zhou, 1999). Work-unit housing was funded and constructed by the government and the government retained ownership, allowing them to rent these units to employees at a very low rental rate (He, 2014; Wang & Murie, 1996). Meanwhile, different factors were considered in order to allocate work-unit housing; for example, an allocation could be influenced by an individual’s position in a company or how long they had worked there (Zhou, 1999).

In privately constructed housing, due to the fact that most houses were privately constructed by the households themselves, households were living with poor conditions. Many units were not equipped with electric lighting and mains water, while households had to share a kitchen and/or bathroom facilities with other families (Fong, 1989). The government tried to provide help by providing basic amenities in order to improve people's living conditions, but the very poor standards of these privately constructed houses meant that very often they could not be fitted with modern amenities.

Furthermore, privately constructed housing households did not have permission for land use. Hence, while government began to confiscate some private properties and public sector construction during 1949 to 1956, housing shortages became another major problem (Wang, 1995). For instance, in Xian the government confiscated 17,500 m² in 1949, and by 1957, 467,500 m² of floor space was controlled by local government, and many households had to share very small living spaces (the average floor space per capita was 3.6-5 m²) with other families, and without even basic facilities (Wang, 1995).

With central-government-enforced management of land use, increasingly the land used for privately constructed housing was withdrawn. Furthermore, during the Political and Economic Adjustment, central government implemented a policy called 'unitary management' that required most institutions, such as banks, military establishments, railways and education facilities, to transfer their public sector properties to city housing departments (Wang, 1995; Shaw, 1997). This intensified the housing shortage and aggravated living conditions, causing the average of floor space per capita to decrease from 4.5 m² to 3.6 m² between the 1950s and 1978 (Wang, 1995; Shaw, 1997).

Numerous pieces of research argue that housing shortages and poor living conditions are the most significant housing problems in China (Wang, 1995; Wang & Murie, 1996; Chaichian, 1991; Shaw, 1997; He, 2014). As housing did not develop as a production sector, and low rents increased the financial difficulty government faced in investing on housing, housing quality was not given adequate funding to improve and its construction

slowed down (Wang & Murie, 1996). Additionally, the urban population increased very quickly, especially as rural people increasingly migrated into cities, causing an acute increase in the demand for housing from 1949. This was exacerbated by the fact that rural-to-urban migrant workers could bring their relatives, including children and their elderly parents, with them when they moved to urban areas (Wang & Murie, 1996). Thus, the stock of housing did not keep up with the population expansion, opening up an increasing gap between demand and supply (Wang, 1995).

As housing was supplied as welfare good, with households paying only very low rents (for these very poor quality units), the fiscal burden of the government increased unsustainably (He, 2014). Thus, housing development progressed very slowly from 1957-1977, leaving major housing shortages and poor living conditions (Shaw, 1997; He, 2014). As mentioned above, households very often had to share their units with another family, or more than two families, which meant severe overcrowding and insufficient living space for family members ‘in different generations and sexes’ (Shaw, 1997, p. 200). The average floor space per capita was around 3 m² in most cities from the 1950s to 1978 (He, 2014). Therefore, housing policy reform was urgently required by 1978 in order to solve these housing issues.

3.3.2 Housing policy (1978-1997): commercialisation experimental period

In order to ease the fiscal burden of government and address the housing shortage, housing policy underwent several important reforms from 1978. In 1978, the State Council organised the Third National City Works Conference in Beijing to review the development of urban and significant policy changes from 1949, and to plan ‘a large-scale house building programme’ to solve housing problems, including overall shortages (Wang, 1995). Meanwhile, with the implementation of the Open Door policy, Deng Xiaoping promulgated the idea that housing should be traded in the market as a commodity (Lisheng, et al., 2010). He indicated that housing, either old houses or new houses, should be viewed not only as a welfare good but also as a tradeable commodity, and he encouraged households to purchase on the market (Wang & Murie, 1996). In

addition, Deng Xiaoping said that the government should increase rents, and, at the same time, supply subsidies to low-income employees so that they could manage these increases (Fong, 1989). Thus, from 1978, Chinese housing processed into a commercialisation experimental period.

The period from 1978 to 1981 saw the commencement of important urban housing policy reforms in China, but these were limited to pilot cities, including Xian, Wuzhou, Liuzhou and Nanjing (Wang & Murie, 1996; Lisheng, et al., 2010). In these cities, public sectors and SOEs sold new housing units to their employees at a price that was limited to the total construction cost, averaging 120-150 Yuan/m² (Lisheng, et al., 2010; Wang & Murie, 1996; Shaw, 1997). This new experiment was considered a success, and so the government started planning to increase housing construction for sale in the market (Shaw, 1997). By 1982, more than 60 cities had implemented this experimental model, and more than 6,000 housing units had been sold, occupying around 366,000 m² (Shaw, 1997; Wang & Murie, 1996). Hereafter, the *Report Outline of the National Working Meeting on the Capital Construction* was published by central government, which stated a ‘policy of commercialisation of housing that allowed individuals to construct housing, purchase housing, and have ownership of housing’ (Lisheng, et al., 2010, p. 7). The implementation of this report drove up the quantity of housing construction and eased the housing issues of some urban households, but this experiment did not resolve all of China’s urban housing problems (Wang, 1995).

Firstly, most urban households found the market price was too high. For example, a unit of 60 m² floor space was around 9,000 Yuan, and this price was equivalent to about 10 years’ salary for an average employee, or 5-6 years total household income for a family (Shaw, 1997; Wang & Murie, 1996). Secondly, the method of payment was inflexible. Most households could not pay the full price of a unit upfront, but banks did not offer housing loans or mortgages to households during this period (Wang & Murie, 1996; Ho & Kwong, 2002). Thirdly, the rent levels in public sector housing remained very low meaning that most employees were not willing to purchase housing on the market (Wang & Murie, 1996; Ho & Kwong, 2002). Thus, although the government increased housing

construction in the market, the aforementioned reasons meant that demand for this housing was low. Moreover, given the ongoing problems with housing affordability, overcrowding was still a major issue in urban areas in this period (Fong, 1989). For instance, in Shanghai in 1982, 37% of its 1.6 million residents were living in overcrowded situations, and 28% of them lived in poor conditions (Fong, 1989).

In order to address this problem, the government made subsidies available from 1982 to 1985 to improve the results of housing commercialisation. According to Wang & Murie (1996), the *State Economic Reform Commission* decided to implement another experiment, with the four cities selected being Zhengzhou, Changzhou, Siping and Shashi. Here, public sector and SOEs would offer subsidies to employees, and if households wanted to purchase a house, they only needed to pay one-third of the total price and their employer would pay the other two-thirds (Wang & Murie, 1996; Shaw, 1997; Ho & Kwong, 2002; Jiang, 2012; Wei, 2014). For example, if the average price of a unit of 56 m² was around 10,000 Yuan, households only needed to pay 3,000 Yuan and their employer would pay the remaining 7,000 Yuan (Wang & Murie, 1996). This experiment was viewed as an improvement on the previous one in at least two ways: firstly, as noted, it did not require households to pay the full housing price. Secondly, households were not restricted to purchasing new housing units, but could also buy the housing unit that they currently lived in (Ho & Kwong, 2002). Across China, 160 cities implemented this experiment, with a total 10,930,000 m² of housing sold nationally (Jiang, 2012). However, the government not only funded housing construction but also supplied subsidies that resulted in an increased fiscal burden, and, as a result, this experiment was discontinued in 1985 (Ho & Kwong, 2002).

From 1986, the State Council founded a new organisation – the Housing Reform Steering Group – and the city-level government established a similar one, the Housing Reform Offices (Wang & Murie, 1996; He, 2014). This new central organisation focused on urban housing policy reform, and put forward two reform strategies: firstly, to raise the rents of public sector housing, while providing subsidies to public sector employees to pay these

increased rents; and secondly, to encourage the sale of public sector housing (Wang & Murie, 1996; Shaw, 1997; Lisheng, et al., 2010; Ho & Kwong, 2002; Jiang, 2012). According to Ho & Kwong (2002) and Wei (2014), from 1986, public bodies continued to supply housing to employees, but the government began to raise rents for public sector housing while increasing the salary and wage of employees in the public sector. After increasing the rents, households who were used to living in large-sized units were encouraged to change to smaller units that they could afford (Lisheng, et al., 2010). A crucial innovation in this experimental phase was the implementation of housing subsidies. Housing subsidies were designed to change the housing allocation system, shifting the focus to supply subsidies rather than to the direct allocation of housing units (Wang & Murie, 1996; Lisheng, et al., 2010). As we shall see below, this was a process that was reinforced in later reforms.

From 1988, China entered a phase of comprehensive housing reform. In 1988, the government held the *National Housing Reform Conference* that concluded that housing reform could bring economic and social benefits (Li, 2007). The reforms announced included the adjustment rents of public sector housing rents to market price, although in 1990 these still accounted for only around 2%-3% of a typical worker's income (Wang & Murie, 1996). However, work-units invested in the purchase of new housing from the market and sold or rented these units to their employees at a low price (He, 2014; Ho & Kwong 2002). These housing policy experiments, therefore, leaned towards supplying housing directly to employees rather than solving specific housing issues (He, 2014).

The Resolution on Comprehensive Reform of the Urban Housing System was issued in 1991, which 'reinforced the 1988 implementation plan, and required all urban authorities to carry out housing reform' (Wang, 2011, p. 20). The 1991 reform focused on improving housing privatisation, and it encouraged households purchasing or renting housing at market price to obtain ownership or a lease (Zhou, 1999; Wei, 2014). However, Ho & Kwong (2002) and Wang (2001) claim that housing distributed by workunits for free, with very low rents, or sold at a low price led to the low housing demand in the

commercial market. Thus, because the work-unit housing allocation system did not have substantive reform, employees were unwilling to obtain housing on the market. Even if the 1991 housing reform aimed to resolve housing difficulties and to improve housing conditions across urban China, overcrowding remained a significant problem (Zhou, 1999; Wei, 2014).

In 1994, housing policies underwent further reform. *The Decision of State Council on Deepening the Reform to Urban Housing System* was published and it included changes in housing distribution systems, housing funding, and housing management (Wang, 2011). According to Wong, et al. (2007), the 1994 housing policy was impacted by two major changes in China's society and market: 1) in order to increase marketisation, SOEs began to reduce their work-unit housing allocations, meaning that more households had to rent or purchase housing on the market; 2) the income gap between poor and rich increased during this economic transition. Thus, 1994 housing reform introduced a dual housing provision system: 1) Anju programme for middle- to low-income households funded by government; 2) market housing for high-income households (Wang, 2011; Lisheng, et al., 2010; Hui, 2009; Jiang, 2012; Wei, 2014; He, 2014). This was crucial in being the first housing reform that put forward a specific type of housing for resolving the housing problems of middle- to low-income households, and it played an important role in housing marketisation in the following years (Lisheng, et al., 2010).

Firstly, the idea of social housing was introduced for the first time across China, meaning that middle- to low-income households who were not being covered by work-unit housing could purchase housing at a relatively low price (Hui, 2009; Wang & Murie, 1996). Secondly, market housing emphasised that housing was a commodity, which should follow the market rules (Wang & Murie, 1996). Thirdly, it increased the market housing transactions rather than public sector housing; for example, from 1995 to 1997, the percentage of commercial housing purchasing increased from 19.6% to 39.7% nationally (Hui, 2009). Hence, the overcrowding situation had eased to a certain extent and the average floor space per capita increased to 8.47 m² in urban areas by 1996 (Zhou, 1999).

However, following the 1994 housing reform, the housing systems remained closely tied to work-unit housing, which was still the most important source of welfare for employees (Wang, 2011). Meanwhile, the poorest households and the unemployed were still not covered by housing policies, and with the reform of the SOEs, a large number of laid-off workers increased housing demands for the unemployed (Wang, 2001). Thus, another very significant housing policy reform was introduced in 1998 (Wang, 2011).

3.3.3 Housing policy (1998 to present): comprehensive and rapid marketisation period

In 1998, the government introduced the *Notice of State Council on Further Deepening the Reform to Urban Housing System and Speeding up the Housing Construction*, also referred to as Document No.23, that ‘was not toward socialisation but marketisation’ (Hui, 2009, p. 384). This reform involved three major aspects (Wang, 2011; Hui, 2009; Wang & Murie, 2000; Wang, 2001; Wei, 2014):

- Firstly, it discontinued the work-unit housing distribution system, and replaced it with the supply of cash subsidies to ‘new and essential employees’ (Wang, 2011, p. 21) who do not have house or ‘have a house that is below the standard’ (Wang, 2001, p. 628).
- Secondly, it introduced a ‘diversified housing supply system’ for different income households that meant households in different income levels were covered by different types of housing (Wang, 2011, p. 21).
- Thirdly, it provided a ‘new housing finance system’ to supply loans and mortgages to private developers and individuals for the construction of housing (Wang, 2011, p. 21).

As the work-unit housing distribution had stopped completely, ‘the new-developed affordable housing in principle shall be only sold but not rented’ (Hui, 2009, p. 384). According to Che and Gao (2010, p. 125), Document No.23 of 1998 noted that the aim of housing was that “all residents should have a place to live”. The ‘diversified housing supply system’ was classified into three types: commercial housing, affordable housing and low-rent housing, with the latter two types discussed in detail later in this thesis (Wang & Murie, 2011; Che & Gao, 2010; Wang, 2001, 2011; Wei, 2014; He, 2014). But briefly, commercial housing was aimed at rich and higher-income households (10%-15%); affordable housing was designed to solve the housing issues of the middle- and low-income households, which the government intended to cover most urban residents (70%-80%); and low-rent housing focused on the housing issues of the low-income to poorest households (10%-15%).

This housing policy reform aimed at promoting housing marketisation rather than socialist welfare (Hui, 2009). Thus, commercial housing and affordable housing could be traded in the market and could, it was hoped, drive rapid economic growth. Subsequently, government-supported housing supply has become a very important industry to drive the development of the Chinese economy (Hui, 2009; Ye & Wu, 2008). In addition, with this economic development and marketisation, increased housing demand promoted large-scale housing construction and eased overcrowding problems (Ye & Wu, 2008; Hui, 2009). For example, the average floor space per capita reached 28 m² in the state by 2010 (Wang & Murie, 2011; Wang & Guo, 2011).

However, with the process of marketisation, the price of housing rose rapidly, and an increasing number of people bought housing as an investment. According to Ye & Wu (2008), the annual amount of housing investment increased six-fold from 1997 to 2005. Thus, the price of housing kept rising rapidly as demand increased; for example, the price of commercial housing doubled between 2004 and 2008 in most Chinese cities (Wang & Murie, 2011). With the speed of house price increases, house price inflation became an important problem after 2003 (Wang & Murie, 2011). Investment in real estate sped up

from 2003 and the housing price continuously increased, although it was unstable (Hui, 2009).

3.4 Conclusion

This chapter reviewed the circumstances of urban poverty and its related housing issues, as well as tracing a timeline of housing policy reforms to illustrate the importance of social housing implementation. Thus, two points should be emphasised from the discussion in this chapter:

Firstly, urban poverty is closely associated with economic development. With rapid development in urban China, the absolute poverty rate has significantly decreased. However, relative urban poverty is regarded as an emerging form of poverty that is the result of economic development and speedy urbanisation. For example, considerable numbers of laid-off workers were made by economic reforms, and rural migrant have become a large part of the urban population because of rapid overall development of China. Thus, emerging urban poverty has resulted in a growth in housing problems in urban China.

Secondly, housing policy reforms in China have experienced a transition from a socialist welfare period through a marketisation period, which focused on some of the emerging housing issues in different periods but with a particular emphasis on economic development. Indeed, from the point that the Open Door policy was implemented economic development was the primary emphasis, which was reflected in the housing policy. Housing marketisation was implemented, with increasing home-ownership to reinforce economic development. Therefore, it can be said that housing has been considered to be more about consumption than as a welfare product in China.

With increasing numbers of middle- to low-income households unable to afford commercial housing, the social housing system for middle- to low-income households

does not only solve their housing issues but also aims to develop a healthy and stable housing market. In the next few years, social housing will emerge as the most important housing policy focus in China, as is discussed further in the next chapter.

Chapter 4: Social Housing Policy in China

4.1 Introduction

Since the 1998 housing reform was implemented in China, commercial housing has developed rapidly. Rapid marketisation drove the growth of housing prices, which meant that increasingly middle- and low-income families could not afford housing on the market (Wang & Shao, 2014). China applies a standard of housing affordability that states that housing costs should account for less than 30% of a household's annual disposable income, meaning that housing is identified as unaffordable when costs exceed this (The Research of Housing Security System in Urban China, 2008; Tang & Jia, 2009). However, the cost of housing is higher than 30% of total annual disposable income in many cities in China, especially in large cities and east coast cities, such as Beijing, Shanghai, and Shenzhen. For example, the average ratio of housing costs increased to 67% of disposable income in China in 2004 and it has continued to rise since (The Research of Housing Security System in Urban China, 2008). Hence, increasingly lack of affordability has become a common circumstance in middle- and low-income households (He, 2014).

Yet for high-income households, purchasing housing not only improves their living quality but is also considered as an investment by them. As is argued by Mao & Zhao (2014) and He (2014), this differs from middle- and low-income households who buy housing based on their housing needs. Indeed, high-income households purchasing units as an investment pushes up housing prices, which exacerbates the difficulties with housing affordability for middle-to low-income households (Mao & Zhao, 2014). Thus, improving the implementation of social housing to assist households who are unable to afford to purchase their own units on the market becomes increasingly imperative in this climate of increasing house prices.

Social housing is mainly controlled and managed by governments in China, and, according to the features of ownership, social housing is divided into ownership social housing and rental social housing. According to Gong (2009), Chen, et al (2014) and Jiang (2012) ownership social housing refers to households that have purchased their social housing to become home owners. In other words, ownership social housing is designed for selling to households, which includes supplying affordable housing and price-limited housing. Rental social housing is social housing that is only for renting, so the tenants do not have the opportunity to buy the property. It aims at supplying accommodation to residents who are experiencing housing difficulties, which includes low-rent housing and public rental housing. Additionally, the land for social housing construction (apart from that used for price-limited housing) is supplied by local governments for free and is exempt from taxes and fees (Chiu, 2013; Wang & Shao, 2014), although it is provided with restrictions in terms of the construction standards, price, and application thresholds for the units built upon it (Gong, 2009; Li & Driant, 2014; Jiang, 2012; Cai & Wu, 2012).

As was discussed in Chapter 2, countries around the world have used various social housing policies during different periods in order to solve their emerging housing issues; this review constructed a theoretical framework of social housing policy in an international context. Building on this understanding, this chapter will review four types of social housing in China, following the timeline of their implementation, to illustrate the general features of each type of social housing in urban China and the challenges that social housing seeks to address. Table 4-1 below provides a summary of social housing in urban China, including:

- Affordable housing
- Low-rent housing
- Price-limited housing
- Public rental housing

Table 4-1: Social Housing in China (made by author)

	Implementation Year	Target Residents	Eligibility	Ownership	Unit Size	Supplying Method
Affordable Housing	1998	Middle- to low-income households with housing difficulties	1) Local Hukou 2) Meet local application thresholds, such as income	Limited ownership/common ownership, can be traded on market after owned 5 years	Around 60 m ²	In kind
Low-rent Housing	1998	Low- to lowest-income households with housing difficulties	1) Local Hukou 2) Meet local application thresholds, such as income 3) In kind is supplied with priority to senior, disabled, or seriously ill people	Only for rent	30 – 50 m ²	In kind and demand-side (cash) subsidies
Price-limited Housing	2006	Middle- to low-income local 'sandwich group' households, who are not able to afford commercial housing but are ineligible for affordable housing support	1) Local Hukou 2) Meet local application thresholds, such as income	Common ownership, can be traded on market after owned 5 years	Less than 90 m ²	In kind
Public Rental Housing	2010	All 'sandwich groups', including migrants	1) Meet local threshold of application, e.g. income, housing situation, etc.	Only for rent	Less than 60 m ²	In kind

4.2 Affordable Housing

Affordable housing is the first type of social housing that was introduced in China, and it was targeted at middle- to low-income households. Affordable housing can be considered as ordinary residents' housing with an additional social protection characteristic, and it is also referred to as economic and comfortable housing to indicate its low price and quality standards (He, 2014; Gong, 2009; Wang, 2011; Chen, 2010). According to the Chinese government's *The Management of Affordable Housing [No. 258 Document]* (2007):

Affordable housing is a kind of housing with welfare features, aimed to middle- to low-income household with housing difficulty. It is housing with limited unit size, price, and standard of construction, supported by preferential policies of government.

The implementation of affordable housing in 1998 was particularly important because work-unit housing distribution stopped at around this time (Wang & Murie, 2011). Thereafter, the significant housing needs of middle- to low-income households (70%-80% of urban households) were supposed to be met by affordable housing (Huang, 2011; Wang & Murie, 2011; Man et al, 2011). Although the 1998 housing policy introduced both affordable housing and low-rent housing, affordable housing was considered as the more important type of housing to develop in order to meet the most pressing needs of citizens during this period (Man et al, 2011).

According to Wang (2007), affordable housing is not only an approach to meet increasing housing demands, but it is also considered as a method for increasing domestic housing demand. This was the case in China, where rapid commercial housing price growth resulted in affordable housing becoming more popular than commercial housing for middle- to low-income households (Chen et al, 2013; Chen, 2010). In early 1998, central government planned to build around 1.3 million units of affordable housing across China, about 106.9 million m², and it increased affordable housing stock up to 28% of the total

new constructed housing stock by 2000 (Duda, et al., 2005; Chen, 2010). However, because commercial housing can bring greater profits than affordable housing (which is limited to 3% profit), developers were less willing to construct affordable housing; this resulted in a slowdown in its development from around 2005 (Wang, 2011; Wang & Murie, 2011; He, 2014; Wei, 2014). In 1998, central government had planned that 20% of the homes they constructed would be affordable housing units in urban China, although they had only built 13.58% by 2005, and this percentage continued to decrease in every subsequent year (Wei, 2008). Thus, although 1.3 billion m² of affordable housing was sold between 1999 and 2008, it only covered around 7.82% of all households, which was far from the original target of 70% to 80% of households (Chen, 2010).

Therefore, as He (2014) and Wei (2014) note, in 2007, *Several Proposals of Solving Housing Difficulty of Urban Low-Income Households by The State Council*, referred to as No. 24 Document, stated that local governments should focus on developing social housing in order to improve the housing conditions of low-income households. However, the influence of the financial crisis in 2008 resulted in the price of commercial housing decreasing in many Chinese cities, which gave affordable housing an opportunity to develop (He, 2014). Meanwhile, the government launched large-scale social housing construction, and 7.5 million units were built ‘as part of China’s stimulation package in response to the Global Financial Crisis’ (Shi, et al., 2016, p. 230).

In addition, No.24 Document further detailed the implementation and features of affordable housing. As one type of ownership social housing, affordable housing is only for sale. However, according to Wang & Murie (2011), ownership of affordable housing is shared ownership between the tenant and the government (the proportion varies in different cities), and it employs other thresholds based on local circumstances – such as an income threshold, which is based on local average income. As has been discussed by a number of scholars, such as Deng, et al. (2009), Ma & Wu (2010), Jiang (2012), and He (2014), although affordable housing was designed to reach around 70%-80% of urban households, thresholds for applicants were followed strictly – especially those

surrounding income, which is the most important qualifying factor. For example, in Beijing, the income of a family of three needed to be below (included) 100,000 Yuan annually in 2017 (the average disposable income per capita was 52,530 Yuan/year in 2016) (Beijing Housing Provident Fund, 2017; Beijing Municipal Bureau of Statistics, 2017).

Affordable housing applies a five-year policy, which states that households can obtain full ownership of their affordable housing unit after they have owned it for five years, and then they can sell their affordable housing unit on the market (He, 2014; Wang & Murie, 2011). Due to this provision, affordable housing has played an important role in increasing the number of home-owners (Wang, 2007). In 2012, the rate of home-ownership in urban China reached 85% (Zou, 2014). However, as is noted by He (2014) and Deng, et al. (2009), this provision is also the most controversial aspect of affordable housing, as households who purchase affordable housing as an investment can take advantage of this provision, resulting in social housing units being lost when they are sold into the market.

4.3 Low-rent Housing

Low-rent housing was designed to tackle urban poverty and was targeted at 10% of all urban households (Chen, 2010). It offered basic standard government housing to low-income and poor households in order to allow them to meet minimum living standards, either by providing cash subsidies or directly providing subsidised housing units (Wang, 2011; He, 2014; Chen et al, 2013). As Jiang (2012) notes

Low-rent housing is that the government implements as social welfare in the field of housing, providing housing with relatively low rent or cash subsidies to low-income households and those in urban poverty in urban areas of China.

In 1998, the State Council released the *Notification of Improving Urban Housing Policy Reform and Accelerating Housing Construction*, which proposed low-rent housing as an

important part of the social housing system, meaning that households with differing income levels were covered by different housing policies.

The lowest-income households were the targeted group for low-rent housing, which was introduced with affordable housing in 1998 (Wang, 2011; Wang & Murie, 2011; Jiang, 2012). Shanghai was the first city to implement low-rent housing in 2001, (Li, 2010; Xu, 2010). In the same year, Beijing began to implement low-rent housing; this covered around 1,025 households by 2002, by which time 30,000 m² of low-rent housing was in construction (Liang, 2002; Committee of Urban and Rural Housing Construction, 2002). By 2006, 512 cities had implemented low-rent housing policies, accounting for 79% of 657 cities in China (Li, 2010).

The target group for low-rent housing is either those experiencing income difficulties or housing difficulties, or households with ‘dual difficulties’⁴ (The Research of Housing Security in Urban China, 2008; Li, 2009b). As Liu (2009b) and Tang & Jia (2009) outline, due to the rapid development of the housing market, the increasingly high price of commercial housing influenced the market rental rates, causing increasing numbers of poor people difficulty affording high market rent. After the vigorous development of affordable housing, central government defined housing as an important livelihood issue in 2007 and committed to improving the housing system to solve the housing problems of low-income and needy households, which further emphasised the importance of developing low-rent housing (Wei, 2014, He, 2014).

Despite low-rent housing being introduced in 1998, the first policy document about low-rent housing that standardised housing sources, rent standards, construction and the application process for low-rent housing, the *Management of Urban Low-rent Housing*, was not released until 1999 (Wen, 2011; Luo & Xiang, 2011; Jiang, 2012; He, 2014).

⁴ Dual-difficulty families mean households who have difficulty with both their income and housing.

This document stated that low-rent housing should be applied by two methods: cash subsidies and ‘in kind’ (subsidised housing units) (He, 2014; Li, 2014).

Firstly, there is in-kind housing, where local government supplies housing to eligible households and charges standard low-rent housing rental rates (Ma & Wu, 2010; Jiang, 2012). According to Kang, et al. (2011) and He (2014), due to the various development levels of cities in China, there is no specific standard of in-kind low-rent housing; however, taking into account family size and households’ situation, in-kind low-rent housing must satisfy the most basic housing standards, such as having basic equipment (e.g. sink, etc.)

Second, low-rent housing is the only type of social housing that provides cash subsidies at present (Luo & Xiang, 2011). Local government supplies demand-side subsidies to eligible households that are renting housing on the market (Luo & Xiang, 2011; Jiang, 2012). The local government considers the particular circumstances of households (e.g. family size, etc.), then supplies a certain amount of demand-side subsidy in order to allow those households to meet the minimum living standards (Wei, 2014). However, eligible households can only receive one method of support, meaning that they cannot receive in-kind housing and demand-side subsidy at the same time (Kang et al, 2011; Jiang, 2012). However, as Wen (2011) notes, different cities employed different emphases when they implemented low-rent housing; for instance, Shanghai and Guangzhou primarily apply cash subsidies, while Kunming mainly applies in-kind housing. At present, according to Luo & Xiang (2011) and Li (2014b), supplying cash subsidies to allow low-income households to rent housing from the market is gradually replacing in kind as the major method of support. However, governments still prefer to offer subsidised housing units for ‘dual difficulties’ families, although they more often offer cash subsidies for other low-income households (Li & Chen, 2011).

In 2007, the state council released *Several Opinions of Solving Housing Difficulty of Urban Low-income Household* (Guofa [2007] No. 24) that not only expanded coverage

from lowest-income to low-income households, but also indicated that low-rent housing would henceforth be the main approach to solving the housing problems of urban low-income households; thereafter, low-rent housing entered a stage of fast development (He, 2014; Jiang, 2012; Luo & Xiang, 2011; Li, 2014b). According to Jiang (2012) and Cai & Wu (2012), due to a shortage of low-rent housing, in 2009 the central government announced that it would be providing low-rent in-kind housing as the main method to solve the housing issues of 7.47 million low-income households. For example, around 66,000 households had been housed by low-rent housing in Shanghai by end of 2009, and more low-rent housing units came into service in 2010 (Hao, n.d.).

As social housing, low-rent housing must meet certain requirements and there are regulations governing standards, such as the unit size (up to 50 m²). However, different from affordable housing, low-rent housing is only for rent, meaning that households cannot obtain home-ownership through low-rent housing (Zhou & Mei, 2008; Jiang, 2012; He, 2014; Mao & Zhao, 2014). As with affordable housing, income is the major threshold used to assess applicants, but the other thresholds required vary in different areas. For example, in Chengdu, applicants need to have been registered as local residents for at least three years, while in Beijing, it has to be for more than five years (Wang, 2013; He, 2014). Additionally, in Ningdu, the threshold for eligible households was having less than 8 m² per capita floor space and a monthly income of less than 245 yuan in 2008 (Yang & Lu, 2011).

Different from affordable housing, low-rent housing not only has tighter thresholds, but also adopts an eviction procedure in order to ensure the limited housing stock is used effectively (Ma & Wu, 2010; Kang, et al., 2011; Wei, 2014). Households that are no longer eligible (e.g. because their income has improved) will be asked to leave their current low-rent housing unit, or their cash subsidies will be withdrawn (Wang, 2009; Ma & Wu, 2010).

In addition, low-rent housing units can be sourced in various ways and the local government examines an area's particular circumstances to decide which method to adopt (Cai & Wu, 2012). For example, Taiyuan concentrates on new construction, Shanghai on purchasing small-sized housing units to use as low-rent housing, and Shenzhen uses a part of affordable housing units as low-rent housing (Ma & Wu, 2010).

As various studies have shown, such as Wang & Murie (2011), Zhou & Mei (2008) and Wei (2014), low-rent housing aims to cover the most vulnerable households in urban China by providing priority to people in specific difficult circumstances: such as the elderly, the disabled, or those living in seriously poor conditions. Thus, as Zhang & Wang (2011) note, low-rent housing can be seen to fulfill certain welfare features, while households cannot obtain profit from it or remove units from the available housing stock by selling them on the market.

4.4 Price-limited Housing

Price-limited housing was first implemented in 2006 by central government and from 2007 nationally (He, 2014). It is another type of ownership social housing that was implemented later than affordable housing and low-rent housing. According to Kang, et al. (2011), compared with other types of social housing, price-limited housing can be understood as commercial housing with welfare features. Price-limited housing is part of the 'indemnity and comfortable living project' (Huang, 2012, p. 943), which is 'a dual-restriction commodity in that both the selling price and the apartment size are severely controlled' (Yang & Chen, 2014, p. 93). Kang, et al. (2011) and Jiang (2012) note that *Guobanfa [2006] No.37 Document* provided provision for price-limited housing:

Price-limited housing is designed to solve housing problems of middle- to low-income households; it is commercial housing but with a limited unit size and sale price, and tender is employed to determine the development company, including competing land price and construction costs, etc.

As aforementioned, due to the high profits available from commercial housing, affordable housing experienced a slow construction period around 2005. Affordable housing was designed to meet the housing needs of 70% to 80% of urban residents, but actually its housing stock only amounts to 10% of total housing stock (Kang, et al., 2011). Hence, increasingly the housing demands of middle-income households pushed up the housing price. According to national statistics, from 2003 to 2007, the rate of commercial housing price growth increased from 4.8% to 7.6% (Pan, 2011).

Therefore, the increasing price gap between commercial housing and affordable housing resulted in a 'sandwich group' being formed (Pan, 2011; Kang, et al., 2011; Jiang, 2012; Liu, 2012; Yang & Chen, 2014), referring to people who cannot afford a housing unit on the market but are also ineligible for affordable housing (Cai & Wu, 2012). In order to distinguish this group from another 'sandwich group', which will be discussed in the public rental housing section, this 'sandwich group' will be referred to as the 'high sandwich group'. Therefore, price-limited housing was implemented as an approach to restrain commercial housing price growth to address the needs of this group (Pan, 2011). Ningbo city was the first experimental city to implement price-limited housing in 2003, where 5,012 price-limited housing units came into service in order to control rapid increasing housing prices in 2004. This caused the price growth rate of commercial housing to decrease 7.7% from 2004 to 2005, while the rank of housing price growth dropped from first place to 17th place in the country by 2006 (Zhou, 2006; Zhang, 2008; Kang, et al., 2011). Indeed, from 2008 to 2009, national housing price continued to decrease due to price-limited housing implementation (Jiang, 2012; Pan, 2011).

As one type of ownership social housing, price-limited housing employs a five-year policy, which is the same as the affordable housing policy (Chen, et al., 2014; He, 2014). However, different from other type of social housing, the land used for price-limited housing is not provided by local governments for free, although there are tax reductions applied (Jiang, 2012; Cai & Wu, 2012). Meanwhile, He (2014) and Kang, et al. (2011) note that, generally, the price-limited housing unit size is controlled to less than 90 m²,

and the selling price is lower than the local commercial housing price (15% lower), which varies in different cities. However, according to Kang, et al. (2011), central government does not stipulate the details of implementation for price-limited house, such as the thresholds; instead, local governments considered the local situations to plan its implementation. For example, Beijing has implemented price-limited housing since 2008, aimed at middle-income households who are meet the following thresholds: 1) applicant has local Hukou; 2) floor space per capita is less than 15 m²; 3) family income meets income thresholds (Cai & Wu, 2012; Kang, et al., 2011; He, 2014), while in Tianjin it is also necessary to have had a local urban Hukou for at least three years (Cai & Wu, 2012).

4.5 Public Rental Housing

With the development of low-rent housing, affordable housing and price-limited housing, the living conditions of low-income households have improved gradually. However, rapid urbanisation and the limited coverage of the social housing system caused a new housing problem for some people: the ‘lower-sandwich group’, which refers to two groups: 1) households that are not illegible for low-rent housing, but also cannot afford affordable housing; 2) migrants with housing difficulties (Che & Gao, 2010; Li, 2011; Wang & Murie, 2011; Chen, 2010). According to Luo & Xiang (2011), the aim of the housing system should be to secure low-end, support the middle-end, and encourage the high-end households towards the market. However, the weakness in this system is a lack of support for the middle-end households, as over 85% of urban households are unable to afford housing on the market (Zhang; 2011). Thus, increasingly this lower-sandwich group has become an important part of the ‘middle-end’, especially with the growth in migrant numbers.

As reviewed in section 3.2, rapid urbanisation and economic development has attracted increasing numbers of rural migrants to urban areas, especially large cities (Wang, et al., 2010; Kang, et al., 2011). Statistics show that the number of rural migrants that arrived in urban areas reached 75 million between 2006 and 2010 nationally (Policy Research

Center of HURD Department & Zhongzhi Zhiye, 2011). In Shanghai, Chen (2014) notes that 39% of all urban households were migrants by 2011, and most of them came from rural areas. In Beijing, the population of migrants reached 4.2 million by 2007, which resulted in the average market rent increasing 40% over the rent of 2006 (The Research Report of Public Rental Housing in Beijing, 2008). In 2010, the number of migrants reached 7.63 million (Zuo & Wang, 2011). However, due to a lack of local Hukou, migrants, including new graduates and new employees, whether from middle-end or low-end households, lack support and security (Luo & Xiang, 2011).

In addition, due to their limited economic strength, these lower-sandwich group households mainly rely on the rental market to solve their housing issues (Li, 2011; Zuo & Wang, 2011). However, although affordable housing and price-limited housing is aimed at supporting middle-end households, unit shortages and long waiting lists mean that it is not possible to allocate everyone homes quickly (Policy Research Center of HURD Department & Zhongzhi Zhiye, 2011). Furthermore, Kang, et al. (2011) and Luo & Xiang (2011) argue that the narrow coverage and strict application thresholds of low-rent housing limits its function of securing households at the low end. Ni, et al. (2011) show that the high demand of rental social housing pushes up market rent, which places it beyond affordability for this lower sandwich group, meaning that many of them choose to live at the edges of urban areas with poor living conditions in order to save money. Hence, in order to ease the housing difficulties of this sandwich group by extending the coverage of social housing, public rental housing was officially introduced in 2010 as a new type of social housing (He, 2014; Zhou & Weng, 2011; Ye, et al., 2010).

Public Rental Housing is the latest type of social housing to be introduced that is aimed at housing middle- to low-income households through stipulating the floor space of units and their rental rates (Zhang, 2011). Policy Research Center of HURD Department & Zhongzhi Zhiye (2011) has noted that public rental housing can be explained as:

The government supplies policies, support and housing unit size limitations to rent housing to the target group, urban middle- to low-income residents with housing difficulties, with below-market rent or affordable rent.

The ideal of public rental housing was first draw up in Shenzhen in 2006 in order to solve the housing issues of the ‘lower-sandwich group’, while combining various circumstances to adjust the thresholds in order to achieve the ‘seamless coverage’ of social housing (Jiang, 2012). Shenzhen took the lead role in targeting migrants with housing problems in 2007 (Chen, 2010; Jiang, 2012), when the relevant authority in central government investigated the housing issues of new graduates and new employees and found these people usually have temporary housing issues during transitional periods (Kang, et al., 2011). As Shenzhen started to consider this sandwich group as a target for social housing, increasingly other cities began to draw up similar provisions, such as Beijing, Tianjin, Changzhou, Qingdao, Xiamen, Guangzhou, and Wuhan. In 2010, the *Instruction of Accelerating Development of Public Rental Housing* was released, which signified public rental housing policy as the official national approach (Chen, 2010; Kang, et al., 2011).

Public rental housing, as another form of rental social housing, is drawn up according to the requirements of unit size, rent level (linked to local circumstances), and migrants’ needs, and contracted for a certain number of years (He, 2014; Chen, 2014; Yang, 2010; Zhang, 2011; Kang, et al., 2011; Policy Research Center of HURD Department & Zhongzhi Zhiye, 2011). At the beginning of implementation, some cities mainly aimed this at local middle- to low-income residents who were experiencing housing difficulties, such as in Beijing (Policy Research Center of HURD Department & Zhongzhi Zhiye, 2011). According to Ding (2011), with the housing problems of local middle- to low-income residents being increasingly met, solving the housing problems of migrants became the primary focus of development. For example, in Chongqing, the government regarded migrant workers and graduates as the main targets of public rental housing, and 36% of applicants of public rental housing were migrants (Ao & Wang, 2012). At present,

the coverage of public rental housing has been extended to cover the whole ‘sandwich group’, including applicants who are on the waiting lists for other types of social housing (Luo & Xiang, 2011; Policy Research Center of HURD Department & Zhongzhi Zhiye, 2011; Kang, et al., 2011; Jiang, 2012).

Public rental housing can be sourced from new construction, purchased housing units, or redeveloped housing (Kang, et al., 2011; Liu, 2011). Compared with other forms of social housing, public rental housing construction is not only funded by local government but also funded by local employers (Policy Research Center of HURD Department & Zhongzhi Zhiye, 2011). The principle of local-employer-funded public rental housing is ‘who invested, who owned’ (Policy Research Center of HURD Department & Zhongzhi Zhiye, 2011), meaning that the construction of public rental housing is funded by local employers with the aim of resolving their employees’ housing issues (Cai & Wu, 2012; Policy Research Center of HURD Department & Zhongzhi Zhiye, 2011). Therefore, the main stakeholder in public rental housing development can either be local government or local employers.

Additionally, according to research (Cai & Wu, 2012; Policy Research Center of HURD Department & Zhongzhi Zhiye, 2011; Zhou & Weng, 2011), due to its relatively wider coverage, local governments can adjust the target group, rental rate, and construction scale for public rental housing according to local circumstances. For example, in Chongqing, local government claims that 30%-40% of middle- to low-income households are covered by public rental housing (Zhou & Weng, 2011). The Shanghai government now supplies public rental housing to migrants who have a long-term and stable job in Shanghai, such as teachers, although the lease duration is not permitted extend to more than six years (Li, 2011). Therefore, with increasing demand for public rental housing, some cities have extended the scale of their public rental housing. For example, Beijing has announced that during the next step in social housing development, public rental housing will account for 60% of the total social housing units (Policy Research Center of HURD Department & Zhongzhi Zhiye, 2011).

Furthermore, with the increasing scale of public rental housing and its rapid development, the thresholds of public rental housing have been extended in order to cover a wider group of households than when it was first implemented. For example, at the beginning of its implementation in Beijing, according to Wang & Murie (2011), public rental housing applicants had to have a local Hukou, and 1) at least one family member over 60 years old, disabled or seriously sick; 2) be living in or renting any dangerous building; or 3) be living in an area to be demolished or redeveloped. However, at present, the coverage of Beijing public rental housing only includes migrants who have worked in the city for over a year. Thus, as with other types of social housing, different cities apply varying thresholds. Some cities supply public rental housing to cover a wider group of households, such as Chongqing (Meng, 2011). However, although public rental housing in Shenzhen covers migrant households, it supplies housing to households with local Hukou as the priority, then migrants (Social Housing Regulation of Shenzhen, 2016; Cai & Wu, 2012).

Research, such as Cai & Wu (2012), Policy Research Center of HURD Department & Zhongzhi Zhiye (2011), and Kang, et al. (2011) shows that the rent of public rental housing is set following the principle of ‘breakeven and meagre profit’ (*Baoben Weili*), while combining local market rent and local general affordability. Generally, the rent will be two-thirds of market rent and around 20% to 30% of the monthly disposable income of a low-income family (Kang, et al., 2011). For example, in Chongqing, the rent of public rental housing is made up according to construction costs and management fees, while the rent is controlled at under 60% of the market rent (Cai & Wu, 2012; Luo & Xiang, 2011; Long & Yi, 2011).

As Luo & Xiang (2011) argue, public rental housing best reflects the aim of social housing, which is to provide a ‘home to live in’ (*Zhuyou Suoju*). This type of social housing focuses on providing people with a place to live, rather than as a method for them to gain ownership of a unit (Policy Research Center of HURD Department & Zhongzhi Zhiye (2011). Kang, et al., (2011) and Chen (2014) note that with the improvement of financial situations and housing stock, social housing should aim at providing security for

transitional periods rather than permanently. Furthermore, with the quantity of migrants increasing in urban areas, the role of public rental housing is an increasingly important consideration. For example, migrants in Shenzhen account for 80% of the total permanent households, and public rental housing meets 80%-90% of these residents' housing needs (Luo & Xiang, 2011; Policy Research Center of HURD Department & Zhongzhi Zhiye, 2011).

Additionally, due to the high mobility of migrants, public rental housing must manage unstable demand. As argued by the Policy Research Center of HURD Department & Zhongzhi Zhiye (2011), compared with other types of social housing, the demand for public rental housing is closely related with the cities' industries. Industrial cities are more likely to experience high public rental housing demand, as swift economic development will attract increasing numbers of migrants (Kang, et al., 2011). Thus, long waiting lists are likely to appear due to the high demand at some points. Hence, central government has implemented merged low-rental housing and public rental housing units since 2014, which provides flexible solutions that share housing units but distinguish rent levels (MOHURD, 2013).

4.6 Challenges of Social Housing Development

The social housing system has developed over time, but some issues have emerged, such as quality problems. For example, the first price-limited housing in Beijing in 2008 had some quality issues (Pan, 2011). Meanwhile, some low-rent housing construction was reported as having a lack of facilities for some specific groups, such as no disabled access (Zhou & Mei, 2008). These issues might now be improved, but social housing has continued to face challenges in its development.

The most commonly mentioned challenge of social housing is location. Due to the fact that the land for social housing is supplied for free, it is usually located on the edges of cities, or in inconvenient and hard-to-access places (Li, 2009a; Liu, 2009a; Cai & Wu,

2012). Wong, et al. (2007), Cai & Wu (2012) and Li (2014b) claim that high-income groups have enough economic capacity to own private cars, so they do not consider the locations of their housing as frequently as middle- to low-income households, who must use public transport to get to work or study. As Wong, et al. (2007) has shown, some middle-to low-income households consider convenient access to be more important than living conditions, such as whether their accommodation has facilities, schools or hospitals in the surrounding area.

Thus, location is the most important aspect that households of ownership social housing consider and the location of affordable housing influences whether people will purchase it (Wong et al, 2007). Some households have had to abandon purchases because they will spend too much time and money getting to work from remote locations (Dong, 2007). An example in the same research shows that in 2007, in Jinan, 113 units of 204 units of affordable housing were abandoned by buyers because they thought the location was not convenient to access. These units were located to the south of Jinan, in one of the economically-lagging areas, and it would take an hour to get to the city centre by bicycle, as well as being far from hospitals, schools and office areas. As, Li (2014b) discusses inconvenient accessibility not only increases living expenses, but also costs more time. For example, in Beijing, middle- to low-income households prefer housing located between 3rd ring and 4th ring, because it saves more than one hour on transport over people who live between the 4th ring and 5th ring (Wong, et al., 2007).

Additionally, Ou & Ran (2009) find that location and inconvenient accessibility are closely related to living costs. Compared with households in ownership social housing, households of rental social housing, especially low-rent housing households, usually meet more living difficulties, such as ‘dual difficulties’ families, hence, some low-income households have to abandon their allocation of low-rent housing because of its inconvenient location (Li, 2014b; Ou & Ran, 2009; Liu, 2009b; Xu, 2010). For example, according to Liu and Jia (2009), in Xian, local residents indicated that some low-rent

housing units actually increased their living costs because the units were located in inconvenient locations.

Due to the differences between the different types of social housing ownership, both ownership social housing and rental social housing have met different challenges. For ownership social housing, the affordability of units is the most important factor for households (Yue, 2008). Wong et al (2007) notes that the price of social housing should be affordable for middle- to low-income households, although evidence has shown that the price of social housing is not as affordable as expected. For example, in Guangzhou, the local government offered 2,000 units of affordable housing to the 3,648 households who had registered in 2008, but only 1,498 families purchased the units, with the other households deciding to abandon their purchase because the price was too high (Yue, 2008).

Meanwhile, price-limited housing has experienced similar issues. Zhang (2008) indicates that the price of price-limited housing is based on the local market housing price, but it includes the cost of land and other costs; thus, an unstable market housing price can influence the social housing features of price-limited housing. For example, Guangzhou introduced 843 units of price-limited housing in 2007 that were 6,500 yuan/m², which was equivalent to 70% of the commercial housing price for the same conditions. However, commercial housing prices decreased in 2008 to 4,000 yuan/m², which was even lower than the price of the price-limited housing. Thus, by end of 2008, 162 of 700 households refused to accept their units (Cai & Wu, 2012; Pan, 2011).

Rental social housing faces challenges in processing eviction procedures. Processing evictions is a significant part of rental housing that ensures the efficient use of housing resources (Wang, 2009; Liu, 2011; Wang, et al., 2011; Kang, et al., 2011; He, 2014; Wei, 2014). According to research, processing eviction procedures is difficult to implement in practice due to a difficult regulatory environment and a lack of regulation (Liu, 2011; Kang, et al., 2011; Wang, 2013; He, 2014). Especially after the merging of low-rent

housing and public rental housing sources, ineffective eviction processes for public rental housing or low-rent housing effects its efficiency.

To sum up, the social housing system has improved since it was introduced in 1998. Different types of social housing were introduced successively in order to solve emerging housing issues, each with its own particular features and target groups. Although the social housing system has faced some challenges during its implementation, gradually expanding coverage of social housing has resulted in increasing numbers of middle- to low-income households being covered.

4.7 Conclusion

From 1998, social housing has been used to solve the housing issues of households with different income levels. Since then, the social housing system has been improved through several developments, such as the introduction of new types of social housing to address different emerging housing issues. Thus, from the discussion in this chapter, some points should be considered:

Firstly, social housing plays a role in economic growth, especially through ownership social housing, which was a major development in social housing. Social housing is designed to meet the housing needs of middle- to low-income households. Although affordable housing aims to reach a wide range of middle- to low-income households (70% to 80%), providing home-ownership was the major strategy during the early stage of social housing implementation. Increasing home-ownership among middle-income households not only eased the pressure on the social housing stock but also supported economic development.

Secondly, social housing focuses on covering emerging major housing issues rather than attempting to solve all housing problems. Over time, a wider range of households have become covered by social housing, as its emphasis has shifted from providing home-

ownership to middle-income households to housing a broader range of households, including migrants.

As discussed in this chapter, different cities have employed various thresholds to implement social housing based on their local situations. However, although Chongqing is often used as an example to illustrate the social housing system, especially with reference to public rental housing policy, there has been little scholarly literature that has discussed social housing in the western cities of China. Although the Western Development programme improved the economic situation and promoted urbanisation, the west is referred to as an economically-lagging region of China, where there is a relatively higher rate of poverty than is found in other regions of the country, meaning that social housing faces more challenges there.

The next chapter will provide brief information about western China and a case study on Yinchuan. In order to explore social housing implementation in Yinchuan, the methods that were employed in this research will also be introduced in the next chapter.

Chapter 5: Methodology

5.1 Introduction

Research methodology is a ‘structured set of guidelines or activities to assist in generating valid and reliable research results’ (Mingers, 2001, p. 242), which ‘shape the diversity of the entire body of knowledge’ (McGregor & Murnane, 2010, p. 419). Research methodology is not only used to explain and to investigate the logic of research methods, but also to examine its limitations and general achievement, as well as to predict the possibility of its contribution to knowledge (Krippendorff, 1980). The most important purpose of research methods is as tools to achieve research aims and to answer research questions (Bell, 1999).

Therefore, designing research questions is the initial and most important step in research. However, designing good research questions is a difficult task that requires the researcher to undertake sufficient thinking, but not to the extent that it prevents progress being made (Stake, 1995). Additionally, it is necessary to consider conceptual organisation, that is the ‘ideas to express needed understanding’, conceptual bridges from existing theories and knowledge, and cognitive structures to guide the data collection, and presentation of interpretations (Stake, 1995, p. 15). Conceptual structure is about hypotheses: ‘hypotheses and goal statements sharpen the focus, minimising the interest in the situation and circumstance’ (Stake, 1995, p.16). In other words, it can be understood as the issue that needs to be drawn out through conducting the research.

This chapter will present the research methodology that was applied in this research in order to achieve its aim of investigating the purpose, importance and challenges in the implementation of social housing policy in western China, employing Yinchuan as a case study to construct an understanding of social housing policy.

The research methodology is introduced in four sections. The case study design section introduces the background of Yinchuan to identify the case for this research, identifies the research paradigm, outlines the nature of qualitative research, and details the process of data collection. The data analysis section presents the process of data analysis that was used, which was based on theories of data analysis and applied a thematic analysis approach to analysing the collected data. The next section presents the limitations of this

research, including a discussion of triangulation. Finally, ethical considerations are stated, including which ethical issues were considered during the research process.

5.2 Case Study Design

According to Yin (2009, p. 7), ‘every research method can be used for all three purposes – exploratory, descriptive, and explanatory’. Case study research focuses on examination of a generation of intensive and detailed information, using a specific case to explore the general circumstances (Stake, 1995). Case study was used in this research as a strategy to approach answering the research questions. Based on the features of case study, this research explores social housing policy implementation in western China, by examining Yinchuan city as a case, to investigate social policy implementation in practice within a particular set of local circumstances. This section will identify the case, introduce the background of the case study, and explain why case study was employed in this research.

5.2.1 Identifying the case

The case to be studied can take various forms, as ‘a specific, a complex, functioning thing’ (Stake, 1995, p. 2). The case can be a person or an organisation (a city is employed as a case in this research), but that is not to say that every phenomenon is suitable for case study (Stake, 1995). The criteria for selecting a case must be considered by the researcher, with the most important criterion being how to maximise understanding.

Creswell (2013) and Skate (1995) state that case studies can be divided into two kinds: intrinsic studies and instrumental studies. Intrinsic study is used to understand particular phenomena that the researcher is specific interested in about the case (Skate, 1995). Alternatively, instrumental case study is used when the researcher seeks to gain a general understanding, or wants to search for the answer to a broader research question by examining a particular case (Stake, 1995). Thus, instrumental case studies can bring an understanding not only about the case itself, but also about wider issues.

The case is pre-selected in an intrinsic case study, but selecting a case in instrumental case study is different. For instance, some cases work better than others, and some uncommon cases illustrate matters better than common cases (Skate, 1995). Due to limitations on the available time for fieldwork, the researcher has to select a case that is easy to access and that will allow the maximum amount of information to be collected.

In this case, the case study approach is appropriate for this research because it offers ‘an opportunity for one aspect of a problem to be studied in some depth within a limited time scale’ (Bell, 1999, p. 10), and to focus on developing detailed understanding and analysis of social housing policy implementation (Creswell, 2013; Stake, 1995). Following Hancock & Algozzine (2006) and Yin (2009), this case study seeks to answer ‘why’ and ‘how’ questions as an explanatory case to seek the ‘cause-and-effect relationships’ of social housing implementation in practice in Yinchuan.

Case study is not a sampling study, so researchers do not need to understand other cases before they study one, as the case in question is the only one it is necessary to understand (Stake, 1995). Case study is commonly applied in many fields to gain a detailed understanding and explore important circumstances that can be single-case or multiple-case, although the single-case produces greater generalisations (Yin, 2009). An early assessment of progress is conducted to assess if the case is going to be suitable, allowing unhelpful cases to be abandoned and more suitable ones selected (Skate, 1995).

Hence, selecting the case was an important step in this research that was considered carefully. This research applied single-case to understand the important circumstances surrounding social housing policy implementation through a holistic analysis. Yin (2009) notes that as an empirical inquiry, case study is applied to achieve in-depth investigation of phenomenon in real-life. In order to achieve a detailed understanding of social housing policy implementation in practice, an examination of the background, population, urbanisation and economy of Yinchuan is necessary, as these circumstances are closely related to the implementation of social housing policy.

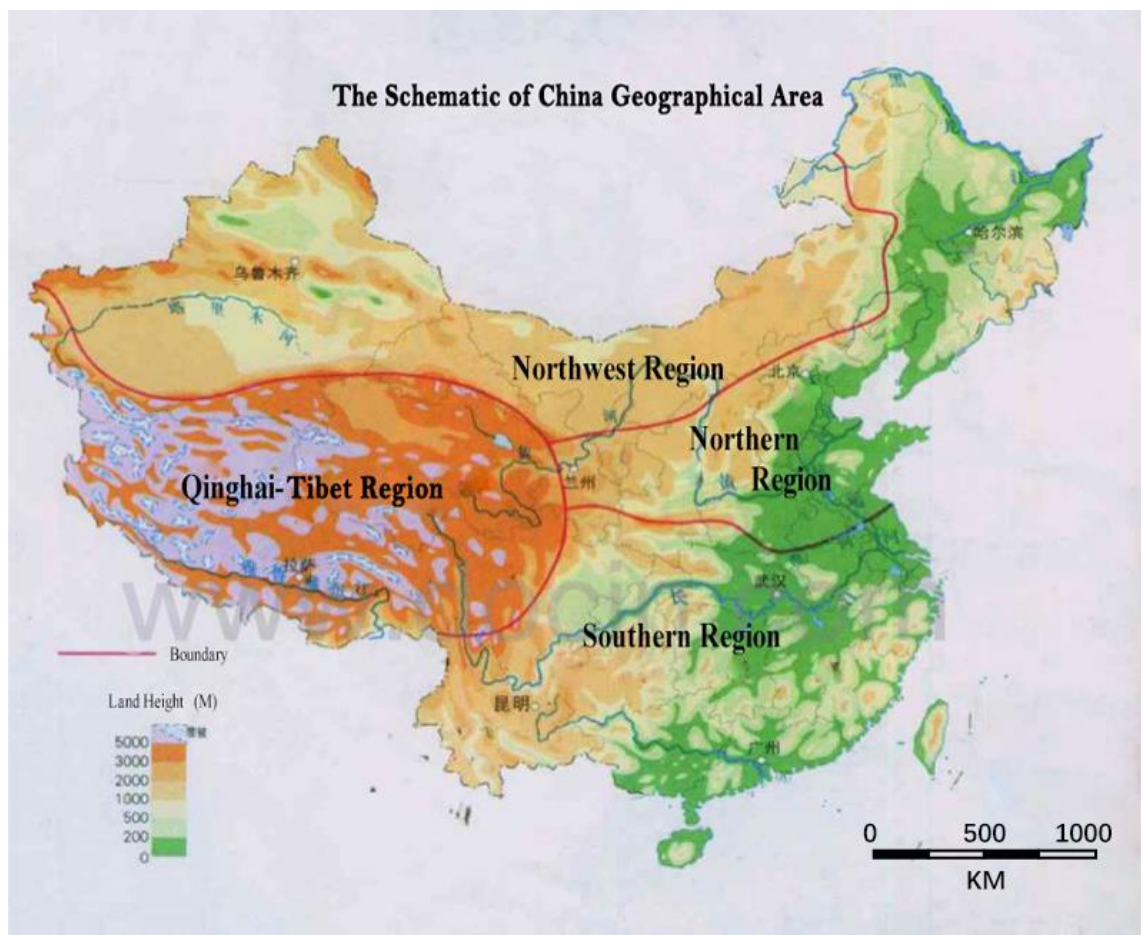
Therefore, in this research, case study is used as a vehicle to illustrate the main issue that the researcher focused on. Based on the above-mentioned theories of case study, after careful assessment Yinchuan city was selected as the case for this research in order to explore social housing policy in western China. The research questions were focused on exploring how social housing policies are implemented and why this is important, while instrumental case study was selected to achieve the purpose of investigating the purpose, importance and challenges in the implementation of social housing policy in western China, through the case of Yinchuan.

This section will present the background of Yinchuan city to define the case that was used in this research, exploring the reasons for selecting Yinchuan as the case study city to illustrate social housing policies in western China.

Introducing western China

As the third-largest country by land area in the world, China is divided into several areas with different purposes, which causes the cities around the country to display some differences. For example, for geographic purposes, China is divided into four regions: northwest region, northern region, southern region, and Qinghai-Tibet region (see Map 5-1).

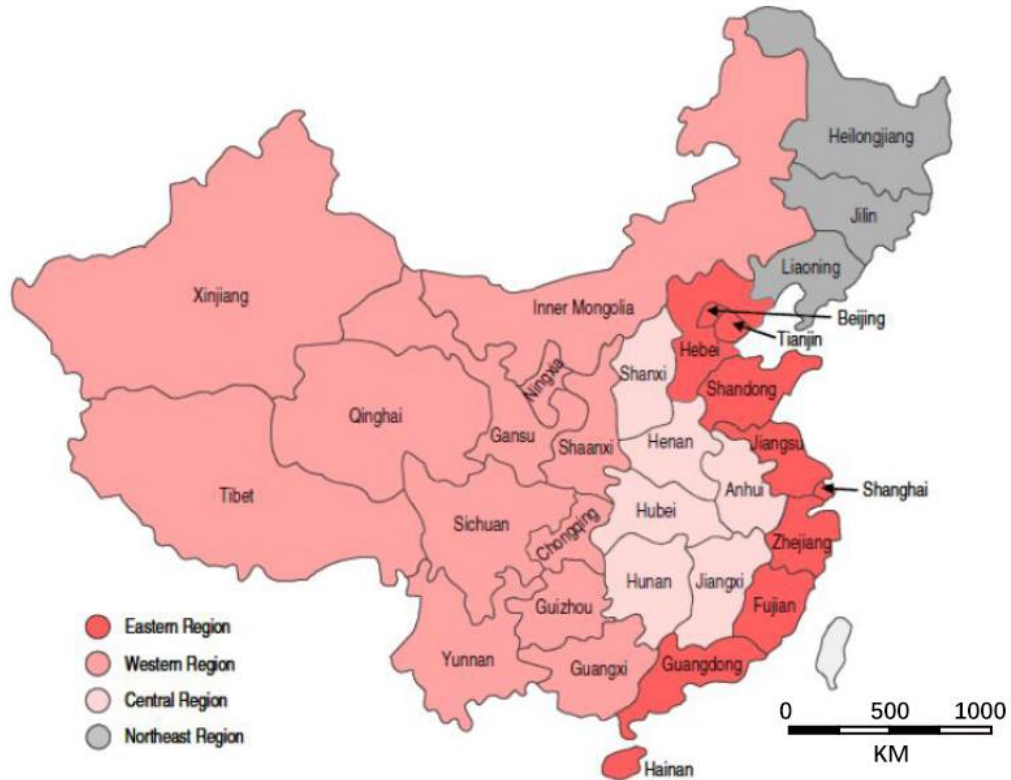
Map 5-1: Geographical Regions of China. Original source: Geography Textbook (2015).



Additionally, other four regions exist for economic purposes: the Eastern Region (coastal region), Western Region (inland region), Central Region and Northeast Region (see Map 5-2). Based on the economic situation of each of these regions in China, the eastern region is referred to as the relatively economically developed region, the western region is

considered as relatively economically lagging, the central region is an economically developing region, while the northeast region is the old industry region.

Map 5-2: Economic Regions of China. Source: HSBC, cited by Bolger (2012).



In this research, the term ‘western China’ refers to the economic division. Economic regions are divided by several factors, such as their economic situation and the characteristics of labour allocation. The government makes development plans for different regions in order to improve the development of each region and to balance the development between regions (Zhang, 2010).

By combining the economic situation, urbanisation, and population distribution, it is possible to divide the cities of China into three tiers: Tier 1, Tier 2 and Tier 3 (see Map 5-3; Bolger, 2012).

Map 5-3: Three Tiers of China Cities. Original source: Bolger (2012)



According to Bolger (2012, p. 3), Tier 1 cities are cities with high retail sales, high annual per capita income, and high per capita retail sales as a proportion of income. These cities make up the economic core of China and include cities, such as Beijing, Shanghai, Shenzhen, Chongqing and Guangdong. Tier 2 cities includes ‘developed provincial capitals and special administrative cities’, such as Tianjin. Finally, ‘prefecture or country level city capitals and other’ are called Tier 3 cities. In addition, Zheng (2009) notes that the regions play a significant role in economic development. Especially after the Open Door policy was implemented, the eastern coastal region became the most developed economic region of China through the 1980s and 1990s. The increase in urbanisation and the economic development of the eastern region and Tier 1 cities has resulted in an increase in internal migration, which has made the gap between the inland regions (western region and central region) and the eastern coastal regions wider, both in economic and social development terms.

The western region has only 4% of the total national population, but it occupies around 60% of the total national land space. Western China is the least urbanisation region of China, falling behind the average national level (Yao, et al., 2014b). Meanwhile, as a

relatively economically-lagging region, western China has several characteristics that make it different from other regions in China.

Firstly, ‘the Western Development Plan’ was introduced by central government in order to encourage companies to bring their business to the western region, boosting the development of the local economy. The ‘Western Development Plan’ was implemented from 1999, and it resulted in western China experiencing rapid economic development. In 2013, the speed of economic growth was 1.24% greater than the national average level and the average GDP has increased rapidly over the last ten years. Nonetheless, compared with the other areas in China, the level of economic development in the western area still lags behind (Yao, et al., 2014b).

Secondly, urban land space has been extended with rapid urbanisation, with landless farmers driving increases in the urban population. Meanwhile, rapid urbanisation has attracted rural migrants coming to urban areas seeking jobs. Thus, some of western cities have experienced urban population increases, especially in capital cities.

Thirdly, increasingly rural migrants are leading to the growth of urban poverty. Central government put forward a concept of ‘three-100 million population’⁵ (2010-2020) improve and boost the development of these regions, which resulted in a large number of people from the rural population settling in urban areas (Yao, et al., 2014b). However, although the ‘Western Development Plan’ has brought some educated and skilled people to the western region, most rural migrants have a poor educational background. According to Yao, et al. (2014b), the education level across the western area is lower than the national average level. For example, the average western region resident has only completed junior high school, and only 81.5% of the total labour population has received a formal education, which is lower than in the central region (84.6%), eastern region (89.8%), and national average level (86.1%) (Yao, et al., 2014b). There is positive correlation between education level/skill level and income level, meaning that western labours receive relatively lower incomes than in central and eastern regions (Yao, et al.,

⁵ ‘Three-100 million citizens’ (2010-2020): 1) ensuring ‘one-100 million citizens’ of rural migrants and other permanent residents have access to the urban Hukou system; 2) accomplishing redevelopment of shantytowns and villages in the city where ‘one-100 million citizens’ were living; 3) guiding ‘one-100 million citizens’ to urbanise central and western regions of China.

2014b). Thus, rural migrants experience great difficulty in finding employment, or must do low-paid jobs, so increasing the overall number of low-income people in the area.

Fourthly, according to Bian (2013), the family size found in the western areas that are lagging economically is usually greater than in eastern China. For example, by 2005, the average family size in eastern China was 3.2 persons, while it was over 3.6 persons in the west. In addition, national statistics show that the national average family size in 2010 was 3.1 persons, while, according to a survey of Bian (2013) in western China in 2011, the urban family size was between 3-3.5 persons, and in rural areas it was 4-5 persons.

Fifth, there is a relatively high young labour proportion and labour core family proportion in western China. According to Yao et al. (2014b): a) labours aged between 15-44 years old account for 58.9% of the total labour market in the western region, which is higher than in the central (49.2%) and eastern (54.1%) regions; and b) the proportion of labour core family of parents with unmarried children in the western region (42%) is higher than in the central region (33.4%), eastern region (36%) and average national level (37.1%), with this proportion being even higher (61.7%) if families consisting of one couple are also counted.

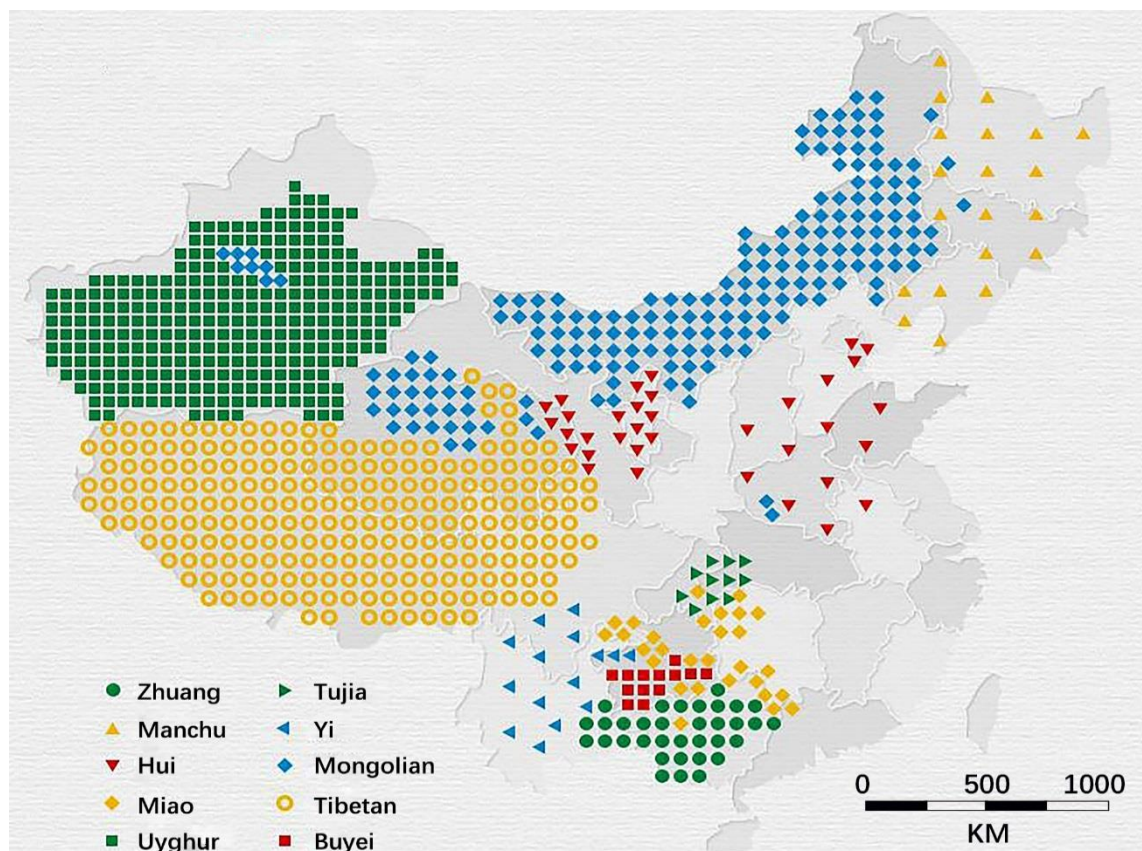
Considering these characteristics of western China, the 'Western Development Plan' created increasing work opportunities that attracted many graduates and skilled people, which not only drove the development of the economy but also increased local housing demand, which has been one of the reasons for boosting housing prices. Meanwhile, rural migrants have become the most important part of the western labour market. Greater family size, high levels of young labour and labour core family proportions drove up local housing demand, but low-income labour would also contribute to increasing the low-income population, who often face housing problems. For example, the proportion of labour families that consist of parents living with married children or people living with their married siblings (referred to as cooperate family) is higher than in other regions and the national average level (Yao, et al., 2014b). Thus, these characteristics of western China making housing issues in this region become more severe.

Introducing case study city: Yinchuan

Yinchuan is a tier two city in western China and the capital of the Ningxia Hui Autonomous Region. The Ningxia Hui Autonomous Region (hereinafter, Ningxia) is

located between northern latitude 35°14~39°23, and east longitude 104°17~107°39, with a total area of 66,400.01 km² and 6.62 million permanent residents by end of 2014 (Statistical Department of Population and Employment, 2015). Ningxia was founded in 1958 and it is only Hui ethnic autonomous region⁶ in China (Liao, et al., 2011) (see Map 5-4). According to data from a demography census, Hui ethnic people make up 35.76% (2,286,692) of the total population in Ningxia, and represent one-fifth of the total Hui ethnic population in China (Yinchuan Statistics Bureau, 2014).

Map 5-4: Distribution of Ten Most Population Ethnic Minorities in China. Original source: CNPolitics.org (2013)



Yinchuan is at the geometric center of mainland China with a total area of 902,538 km² and over 2.19 million permanent resident at the end of 2016. The Hui ethnic population was 563,700, accounting for 25.7% of total Yinchuan population. In Yinchuan, three districts (Xixia, Jinfeng, and Xingqing), two county-level towns (Yongning and Helan) and county-level city (Lingwu) are managed by Yinchuan government. Generally, Yinchuan city is referred to as city area of Yinchuan that is applied in this case study.

⁶ On the basis of the places where are the ethnic minorities settlement. These places establish corresponding self-governments to perform their rights and administer the local affairs of the ethnic minorities within their own people.

Hence, this research only focused on Yinchuan city area rather than overall administrative area of Yinchuan that included Xixia, Jinfeng, and Xingqing districts.

Economy

As the central city area of adjacent provinces (including Ningxia, Inner Mongolia, Shanxi and Gansu), Yinchuan is a key economic zone of deepening implementing the 'Western Development Plan'. Although the 'Western Development Plan' boosted economic development, the average disposable income per capita of Ningxia was ranked 24 out of 31 Chinese provinces, and the average GDP of Ningxia only achieved 84% of national average GDP (46,506 yuan) in 2013, while the average GDP of Yinchuan was 40,173.47 yuan (Yao, et al., 2014b, Yinchuan Statistics Bureau, 2014)

Urbanisation

Following the implementation of the 'Western Development Plan', Ningxia has become one of the most urbanisation provinces in the western region. Indeed, urbanisation in Ningxia reached 55.23% in 2015. Furthermore, the concept of 'Greater Yinchuan'⁷ was introduced, with the urban space of Yinchuan extending from 3,512 km² to 7,356 km², making it the most urbanisation city in Ningxia, with an urbanisation rate of 75.04% (Guang, 2015). Rapid urbanisation led to a large amount of the population becoming concentrating in urban areas, so extended the size of the population in Yinchuan.

Population structure

Yinchuan is the most population city that account over 32.5% of total population of Ningxia in 2016 (Yinchuan Government, 2017). Although the total number of new births in Ningxia has been decreasing, the growth rate of the population is higher than the national average level, with most of this population growth taking place in ethnic minority communities. According to Map 5-5, six provinces in China have the fastest growing populations. According to one-child policy,⁸ ethnic minority families can have one-to-two children, which caused increases in the population of ethnic minority people. As the biggest Hui ethnic enclave in China, the increasing ethnic minority population effects the

⁷ 'Greater Yinchuan': The concept of 'Greater Yinchuan' was put forward in 2002, stating that the development area should not only cover the city, but also the towns and villages around Yinchuan (Song, 2006).

⁸ One-child policy was a policy to control population, which stated that each couple could only have one child. However, ethnic minority couples (excluding Zhuang) could have two children, while farmers and herdsmen from Xinjiang and Qinghai groups and Tibetans could have three children.

total population of Ningxia, meaning the speed of growth seen in the Ningxia population has been greater than the national average level (Liao, et al., 2011; Cai, 2011). Additionally, the living habits of ethnic minority are often described as consisting of small settlements within largely mixed communities, which displays feature of ethnic minorities' living habits: preference for living together in small groups. In Ningxia, there are many areas with a high concentration of Hui, particularly in the south and in the rural areas around Yinchuan. Yao, et al., (2013) indicate that birth rate distribution shows that the population decreased from north to south because of the high birth rate of the ethnic minority population. For example, Bian (2013) notes that the average family size of the urban area of Ningxia was 3.46, while the size was 4.37 in rural areas.

Map 5-5: The Growth of Population in China, 2000-2010⁹. Original source: Cai (2011)



Additionally, according to statistics from the Sixth Census, the floating population of Ningxia has reached over 1.53 million, which accounted for 24.35% of the total

⁹ This figure was based on statistics from The Sixth Census in China, a census that is conducted every ten years.

population by end of 2010, and people from outside province were mainly from neighbouring provinces.

However, the primary consistent floating population is made up of rural migrants elsewhere in the province. During 2000 to 2010, floating people from inside the province accounted for 75.99% of the total floating population, and 74.18% of these people were from rural areas (Li, 2014a). Thus, in Ningxia the urban population has greatly increased, reaching over 3.5 million by the end of 2014, while over 2 million was concentrated in Yinchuan city.

In addition, population statistics from 1982 to 2010 show Ningxia experienced both net inflow of population into the area, but also major flow within province (Li, 2014a). The distribution of the population of Ningxia is mainly concentrated in the north and south, with least people living in the central part. According to the Statistical Department of Population and Employment (2015), the population focus in Ningxia has been moving northward from the southern mountain area to the Yinchuan Plain, and especially to Yinchuan (See Map 5-6). According to statistics by local government, as the capital of Ningxia, Yinchuan population had an increase of 1.57% over previous year that was the highest growth rate in five cities of Ningxia, and Jinfeng district was the area that had the highest growth rate of population in Yinchuan city which was 4.93% at the end of 2017 (Ningxia News Net, 2018). Meanwhile, Yinchuan has relatively rapid economic development, greater work opportunities and a better living environment, attracting 49.71% of the total floating population of Ningxia (Li, 2014a).

Map 5-6: Migrant trend of Ningxia. Original source: Map.ps123.net (2014).



In addition, income differences between urban and rural areas attracts surplus labour from rural parts coming to urban Yinchuan (Yao, et al., 2013). The average education level of these migrants is lower than the average level of nationwide. According to a survey of education circumstances in 2011, among the 12 provinces in western China, the urban area of Ningxia was the one of three provinces that did not achieved ‘nine years compulsory education’,¹⁰ with the average education achieved in the urban areas of Ningxia being 8.9 years and only six years in rural parts (Bian, 2013). For example, Li (2014a) notes that the educational level of over half of the total floating population of

¹⁰ Nine years of education is required by national law, so all school-age children must attend compulsory education, which is free of charge.

Yinchuan is within the range of primary school to middle school. As mentioned above, skill and education level has a positive relation to income level, so the low education level of Yinchuan migrant results in increasing numbers of low-paid workers, which contributes to rises in urban poverty.

Hence, after considering these related circumstances, the researcher believes that Yinchuan is an appropriate case to illustrate the circumstances which generally exist in western China. Yinchuan is employed as a vehicle to illustrate how social housing deals with these circumstances. In order to explore social housing in Yinchuan, this research employed qualitative research to explore the implementation of policy in practice.

5.2.2 Identify research paradigm

A paradigm (also referred to as an interpretive framework) is an approach that can be applied for conducting research. ‘A paradigm is a set of assumptions, concepts, values and practices that constitutes a way of viewing reality’ (McGregor & Murnane, 2010, p. 419). When conducting research, which research philosophy is adopted significant because it shapes the formula for unravelling the research questions and finding the information to answer them (Creswell, 2013). An applied research philosophy includes significant assumptions about how the world is viewed that also underpin the research strategy and the methods which will be adopted (Burrell & Morgan, 1979). According to McGregor & Murnane (2010), there are three research approaches: qualitative, quantitative, and mixed methods (combining qualitative and quantitative methods). Meanwhile, four philosophical assumptions are considered in each research approach that will influence the research process:

- Ontology is associated with nature of reality and the way the world operates (Burrell & Morgan, 1979);
- Epistemology examines what counts as knowledge and what is an acceptable study of knowledge, and the way to understand the knowledge (Burrell & Morgan, 1979; Bryman, 2012);
- Axiology is the role of values in research (Creswell, 2013); and
- Methodology, which is the process through which knowledge is obtained (Burrell & Morgan, 1979; Creswell, 2013).

In addition, four paradigms are delineated that are associated with different assumptions (Bryman, 2012; Stake, 1995; Creswell, 2013):

- Positivism: an epistemology of natural science methods applied to social reality research.
- Post-positivism/interpretivism: ‘post-positivism has the elements of being reductionistic, logical, empirical, cause-and-effect oriented and deterministic based on the priori theories’ (Creswell, 2013, p. 786 of 9761). In other words, the concept of post-positivism is treating inquiry ‘as a series of logical, related steps’ rather than as individual phenomenon, and adopting strict methods of qualitative data collection and data analysis strategies (Creswell, 2013, p. 796 of 9761; Yin, 2009).
- Objectivism: an ontological position that ‘asserts that social phenomena and their meanings have an existence that is independent of social actors’ (Bryman, 2012, p. 33).
- Constructivism: another ontological position that ‘asserts that social housing phenomena and their meanings are continually being accomplished by social actors’ (Bryman, 2012, p. 33). Constructivism proposes that to understand individual’s meanings, various and multiple meanings should drive the researcher to explore the ‘complexity of views rather than narrow the meanings into a few categories or ideas’ (Creswell, 2013, p. 803 of 9761). In other words, constructivism is concerned with understanding knowledge rather than pursuing the truth (Graue & Karabon, 2013). This approach is built on an inductive theory (Creswell, 2013). In constructivism, participants play important role in the research, that is those who are the primary source of information collected (Creswell, 2009). Meanwhile, the relationship between the researcher and participants are highly valued.

Therefore, associated with the philosophical assumption and research paradigms, interpretivism of epistemology and constructivism of ontology are appropriate paradigms for this research. The purpose of this study is to understand the importance of social housing policy implementation in Yinchuan, rather than discovering knowledge about social housing (following Stake, 1995). Thus, the people involved in the social housing system are the most significant source to examine the importance of social housing. Meanwhile, through description of the case city, and associated with the research questions, qualitative research has been identified as the most suitable approach to achieve the purpose of the research and to answer the research questions.

5.2.3 *The nature of qualitative research*

Associated with research philosophy, qualitative research is identified as belonging to interpretivist on epistemology position, and to constructivism on ontology position (Bryman, 2012). Qualitative research is inductive theory research, which is the approach to the relationship between theory and research where the researcher reflects his/her findings to theory (Bryman, 2012). In other words, qualitative research is applied to search for the connection between perceptions and actions.

Qualitative research is ‘an inquiry process of understanding based on a distinct methodological approach to inquiry that explores a social or human problem’ (Creswell, 2013, p. 5672 of 9761). Additionally, Stake (1995, p. 41) explains that ‘standard qualitative designs call for the persons most responsible for interpretations to be in the field, making observation, exercising subjective judgement, analysing and synthesising, all the while realising their own consciousness’.

Qualitative research is concerned with words rather than quantification in data collection and analysis (Bryman, 2012). In other words, ‘qualitative research is empirical research where the data are not in the form of numbers’ (Punch, 1998, p. 4).

Qualitative is preferred for giving narrative descriptions and interpretation of results. It is employing embedding philosophical assumptions within interpretive frameworks that also act as key premises to consider in qualitative research when conducting a study (Creswell, 2013). ‘Qualitative research have pressed for understanding the complex interrelationship among all that exist’ (Stake, 1995, p. 37). It focuses on the happenings rather than the causes. For example, methods, such as observations, are applied in qualitative research to allow the researcher to see different factors, such as what is there and what might have happened. Hence, this research explores how social housing policy is implemented rather than why it is implement.

Additionally, qualitative research focuses on constructing knowledge rather than exploring knowledge through conducting research (Stake, 1995). It emphasises drawing a picture for the reader to understand the knowledge and phenomenon by describing rich details rather than concentrating on generalisation as a goal (Stake, 1995; Creswell, 2013).

In this research, to understand social housing policy implementation and its importance, a case city is discussed rather than providing a generalisation. Therefore, qualitative research through case study will provide readers with an opportunity to understand phenomenon and the story behind the case.

5.2.4 Data collection

In case study, multiple data collection methods are employed in order to achieve in-depth understanding of social housing policies. Bryman (2012) and Yin (2009) mention that multiple sources can be used as evidence to answer research questions. This research employed non-participant observation, secondary documents, and interview as sources of data collection.

In this research, the language of data collection was Mandarin, as the study focused on social housing in China and the data was collected from Chinese people. Hence, the transcriptions from which the data was analysed was also in Chinese. As interview was the major method of data collection, language played a significant role in this research. Based on Hennink (2008), Nes, et al. (2010), Smith, et al. (2008) and Santos Jr., et al. (2015), it is necessary to take some precautions when working cross-language in qualitative research.

The primary precaution that should be considered is the accuracy and objectivity of translations used in research. Due to the grammatical and structural differences between Mandarin and English, the target audience need to be considered when conducting translation during the different stages of research.

At the data collection stage, the interview participants are the target audience for translation. The topic guide for the interviews conducted as part of this study was designed in English, but the interviewees were Chinese. The purpose of translating at the data collection stage was to make it possible to obtain information from participants in their own language. Hence, when translating the topic guide questions into Mandarin, it was necessary to consider if the translations were suitable for the target interviewees. The interview questions needed to be translated in such a way that they were both accurate and easy to understand for interviewees, especially considering that some of the local residents were not highly educated, so they were designed as ‘real-time conversation

between researcher and participant' (Santos Jr., et al., 2015, p. 135). Prior to undertaking the study, pilot interviews were used to test if the translated questions in the topic guide accurately delivered their intended meaning, and to ensure that these questions were easily understood by participants. Any misunderstandings caused by the translation of the questions in the pilot interviews were amended for the later interviews.

At the data analysis stage, the readers are the target audience for translation. Themes and categories in the source language are translated into the target language (Santos Jr., et al., 2015). This stage presented greater challenges than at the data collection stage. Every interview transcription was in Mandarin, but when translating these to English the researcher noted that some words did not have exact translations, especially when referring to the details of particular housing policies. Meanwhile, other words involved multiple meanings, such as some of interviewees using the same word in different places in order to express different meanings. 'Focusing on the thinking and reflection processes that are needed in the analyses' (Nes, et al., 2010, p. 135) rather than words avoids losing the meaning, especially when dialect was used in interviews. Some of the resident interviewees were from rural areas of Ningxia, meaning that their strong accent and local dialect could influence understanding. Therefore, translations focused on the meaning the interviewees actually delivered rather than translating the exact words. Additionally, because the researcher lacked professional translation knowledge, professional dictionaries were used in conducting translation in order to ensure accuracy.

At the presenting of findings stage, it is necessary to maintain objectivity of translation for the readers in the target language. To providing clear and organised results is the major task, and delivering accurate information and meanings is particularly important.

Documents as source of data

Based on Bryman (2012) and Yin (2009), documentation is stable, exact, and broad coverage, and official documents or personal documents can be sources of data. As the first step of data collection, various documents were reviewed to understand the current policies and general information about local housing situations. The documents consulted as sources of data included government official websites, government official housing policies, documents and data from various government departments, and summary reports written by the relevant government officers.

Firstly, government official websites (e.g. Website of Yinchuan Housing and Urbanisation) were consulted, as these websites include the latest activities related to housing implementation, such as social housing allocation arrangements. For example, the Yinchuan Government Website contains government reports about its plan for social housing development. Gathering this information was the first step to understanding the current housing situation and government planning for social housing.

Secondly, government official documents, including Ningxia and Yinchuan yearbooks, maps, figures and government official housing policies were examined. The Ningxia and Yinchuan governments release policies as booklets, although most of the policies could be found on their official website. However, the policy booklets provided a good approach to explore the changes and development of one kind of housing. For example, these booklets made it possible to examine affordable housing over time, from the Anju programme period to current affordable housing, as the coverage range and detailed requirements for applicants were found to change over the years. The major policy booklets consulted in this research were:

- Government Document Compilation of Anju Projects, including policy documents about social housing and urbanisation for central and local government.
- Policy Document Compilation of Social Housing System in Yinchuan, including most of the social housing policies from central government and local government.
- Policy Implementation of Public Rental Housing, which was published after the compilation of the policies booklets that introduced the initial implementation of public rental housing.

Thirdly, summary and reports written by relevant department officers were gathered as part of this research. These documents included annual or seasonal reports that involved greater detail and more data on local social housing implementation, including the scale of new social housing construction, the number of yearly applications, and the current situation of each type of social housing. As these reports were usually written by officers who focused on a specific area of policy implementation, their reports supplied updated policies and details of implementation, as well as highlighting changes and improvement as the policies developed.

Thus, after gaining a broad understanding of current social housing policies, the next step was to interview relevant people to obtain deeper knowledge of social housing implementation and how social housing meets residents' needs.

Observation

In this research, non-participant observation was used to gain a general understanding of factors that were relevant to social housing communities, such as public facilities, transport situations, the surrounding environment and the layout of communities. Visiting the sites directly also helped to provide general ideas for subsequent interviews. Meanwhile, observations helped the researcher to gather information that the interviewees might not wish to directly share.

In this research, the nine social housing communities selected included all types of social housing in Yinchuan and they were allocated across three districts, including:

- Two Anju housing communities,
- Four mixed social housing communities,
- Two supplement price-limited housing in commercial housing communities,
- One government public rental housing community,
- One public rental housing community in an industrial area.

These communities included single-type social housing communities (the earliest communities of Anju programme and the latest public rental housing communities), as well as mixed types of social housing communities, such as one of the biggest social housing projects in Yinchuan, the Wuli social housing projects, and a social housing community that had only recently come into use, Shangmei Yaju.

Based on Stake (1995), Creswell (2013) and Silverman (2006), writing field notes is an essential and important way to collect data when conducting observations. Furthermore, listening is as important as watching during observations. Field notes were made during observations, especially during those that could not be recorded by photographs. Well recorded observation notes are particularly helpful for data analysis and reporting the research (Stake, 1995). During observations of these social housing communities, photographs of housing constructions and the surrounding environment were taken to

record the actual situations of these communities, and to compare these with older pictures found on various websites.

Meanwhile, observation also provided the support for subsequent interviews, especially as the initial group of resident interviewees were identified while conducting observations.

In-depth interview

Interview is widely applied in qualitative research and it was one of the most significant methods of data collection used in this case study. As one of the most common methods of investigation, interviews were used to obtain the full range and depth of information for this research. This approach also allowed the researcher to be flexible in adjusting the emphasis of the discussion based on the key issues which emerged (Saunders et al, 2012; Bryman, 2012; Burgess, 1987). Qualitative interviews were used as, compared with structured interviews, they are more flexible and they allow the researcher to concentrate on interviewees' perspectives (Bryman, 2012). For example, this approach makes it much easier to use follow-up questions that naturally lead on from interviewees' replies in order to discover in-depth and detailed answers (*ibid.*).

This research aimed not only to explore social housing policy implementation, but also to investigate how social housing meets the residents' needs. As different households might experience various housing issues, to explore the specific and rich detailed answers from them was in line with the purpose of research rather than only considering more general information. Therefore, semi-structured interview and unstructured interviews were a better fit than structured interviews for this particular research.

Nonetheless, the freedom of unstructured interviews can make it difficult for a researcher to follow up a particular point that they are interested in (Bryman, 2012). In this research, unstructured interviews could have resulted in less organisation and meant that some points the researcher wanted to explore further were accidentally omitted. Thus, instead Bryman (2012) was followed and semi-structured interviews were selected, as this allowed the discussion to be focused on policy implementation and also gave interviewees space to share their opinions and experiences of social housing. Furthermore, the flexibility of semi-structured interviews allowed the researcher to adjust the order of questions depending on the natural flow of the interviews.

In this research, an interview schedule was prepared as a topic guide (see Appendix 1). The most important purpose of the topic guide was to ensure that questions were asked that could help to answer the research questions (Creswell, 2013). Open questions were used as the major question model in the topic guide. Based on Bryman (2012), when the questions for the topic guide were designed it was necessary to consider: firstly, what type of answers would help to answer the research questions; secondly, if the questions in the topic guide could be easily understood by interviewees; and thirdly, whether it would be possible for the interviewees to answer these questions.

Before conducting the interviews, I prepared a topic guide for three groups of interviewees: local government officers, developers, and residents. As each group of interviewees was approaching the issue of social housing from different perspectives, it was necessary to prepare separate topic guides that focused on the specific issues that the different groups experienced. Then, three pilot interviews were conducted following the topic guides, one for each group, in order to test the validity and suitability of the questions, and to obtain some interview skills and experience, such as not asking leading questions, avoiding judging people, and asking appropriate follow-up questions (Bryman, 2012; Yin, 2009; Creswell, 2013). However, during these pilot interviews new questions became apparent that had not been initially included in the topic guide. It was also found that some of the issues related to social housing involved departments, such as property management. Thus, after three pilot interviews, the questions were updated and the research remit extended to include two other groups of interviewees: property management and property agency. When conducting interviews, a digital recorder was used to increase the accuracy of the data collected. Meanwhile, handwritten notes were taken during the interviews in order to record unexpected related questions, which were then used to help form appropriate follow-up questions.

Sampling the interviewees

A common strategy of sampling in qualitative research is to select the sampling areas first, and then to identify the participants from these (Bryman, 2012). In other words, in case study, no matter which sampling method is applied, the case is the priority aspect that needs to be defined, and then sample units are identified from within it. In qualitative research, sampling consists of probability sampling and purposive sampling, although probability sampling is rarely employed as general random sampling cannot answer most

research questions precisely (Bryman, 2012). Thus, this research employed purposive sampling as the sampling approach.

Interviewees were carefully selected on the basis of if they were eligible to answer the research questions (based on Creswell, 2013). In purposive sampling, sample research participants are sought depending on the purpose of the study, not on a random basis. According to Bryman (2012, p. 418), ‘purposive sampling is a non-probability form of sampling’ that aims to sample case or participants in a strategic way to answer the research questions.

Meanwhile, purposive sampling consists of theoretical sampling (which is applied in grounded theory research), generic purposive sampling, and snowball sampling. From these, snowball sampling was the major approach employed in this research. However, Bryman (2012) also notes that applying more than one sampling approach in research can create complementary data. When applying generic purposive sampling to a selected case, the key criterion is whether participants will be able to provide information relevant to the research. The opportunity sampling approach was applied in this research in order to identify the first group of resident interviewees and developers from the target group of people.

Snowball sampling was developed from the small group of people who were selected by opportunity sampling, as other participants who has relevant experiences were introduced by these initial people (following Bryman, 2012). For example, the officers who were first interviewed introduced other members of staff who worked in specific areas of social housing management, and also recommended social housing projects that were still under construction as possible places to conduct observations. Furthermore, most resident interviewees were identified using the snowball sampling approach, with the first group of resident interviewees introducing their friends for future interviews.

Moreover, sample size is another significant criterion that needed to be considered before conducting the research, so that an appropriate size of sample could be selected to answer the research questions that was not too small or too large (Bryman, 2012). In this research, 37 interviewees were selected for face-to-face interview. These interviewees were:

- Seven government officers, who worked in the urbanisation and development department in Ningxia, the social housing department in Yinchuan, the real estate department of Yinchuan, the social housing department of Xixia district, and the social housing department of Jinfeng district
- Two developers involved in the construction of social housing projects
- One property agent
- Six members of property management staff from a public rental housing community, social housing community, and a local employer public rental housing community
- Twenty-one residents from all four types of social housing: two from price-limited housing, 12 from affordable housing (including Anju and one abandoned purchase), three from low-rent housing, and four from public rental housing, where two were government-owned and two were employer-owned

The initial interviewees selected for interview were government officers, focusing on urbanisation and development planning for Yinchuan and Ningxia. From these interviewees, three social housing projects currently under construction were recommended for observation.

Additionally, two developers and one property agent were purposely selected by applying opportunity sampling in this research. Developer interviewees were selected from social housing construction sites that were visited. Five social housing projects were visited that were under construction to find developers who would do interviews, and eventually two of them accepted. One of these developers was working on two different social housing projects at same time, so was able to provide additional insights.

As the government was not allowed to share the personal details of residents, the first phase of resident interviewees were selected from the social housing communities that were visited for observation. After these interviews, interviewees were asked if they could introduce other people who had experience of applying for or living in social housing, meaning more resident participants were identified using snowball sampling.

Additionally, the property management interviewees were selected purposively. Among the six interviewees, four were selected from the observed social housing communities, and two were introduced by government officer interviewees.

Thus, the sampling of interviewees was conducted purposively in this research, primarily by using the snowball approach, and 37 interviewees were involved in this research in total.

Process for interview

The process of conducting interviews in field work can be divided into four steps:

First step: government officers and developers

Of the three government officers who were first interviewed, two were working on housing and urbanisation for the Ningxia government. These two interviewees provided information about social housing policy implementation, the Ningxia government's development plan for Yinchuan, and their opinions on social housing development. The other government officer interviewed was working in the social housing department of Yinchuan and they provided more details and data specific to social housing policy in the city.

Additionally, during the first interview stage, two developers offered information and data about social housing projects that they were building, and shared experiences and procedures related to social housing projects that helped to understand the implementation of social housing construction provision in practice.

Second step: social housing residents

After two government officers had been interviewed, residents were sought for interview to find out their thoughts about the social housing they lived in and their experiences of social housing more generally. These interviewees were selected from the nine communities that were visited to conduct observations. Different from interview government officers, these residents were not prepared in advance for interviews. Therefore, the researcher always introduced herself and the aim of the interviews at the beginning of the discussions to allow potential participants to understand the research aims, and to allow them to consider whether they would like to take part in the research.

The resident interviewees involved in this research lived across four different types of social housing, and each interviewee had their own stories and experiences. Furthermore, interviewees living in different types of social housing had differing responses to it.

Therefore, these stories and experiences allowed this study to obtain a vivid and specific interpretation of social housing from residents.

Interviewed residents also highlighted new issues that could only be understood in practice, rather than from reading policies. These issues were brought back to the officer interviewees in the next step to allow them to respond. Additionally, some of these new issues turned out to be related to property management, which was not under the direct control of the government. Therefore, property management staff in these communities were also interviewed in order to explore these issues further.

Third step: government officers and property management staff

Firstly, the responses from the interviewed government officer interviewees and resident interviewees were combined by listing the questions that were closely related to the research questions, and then six members of property management staff were interviewed. These six staff were selected from those communities that resident interviewees had been involved with. The questions designed for these staff were focused on the problems and issues mentioned by resident interviewees, but were also related to the research question.

Secondly, new questions identified from resident interviewees were asked to government officers in order to obtain more details about these specific issues. These three government officers were selected because of the areas that they focused on. One was from a social housing department in Yinchuan, which focused on social housing policies, arranging social housing allocation, and the further planning of social housing development. The other two officers were selected from two districts: Xixia and Jinfeng. They were different from the government officers interviewed in the first step, as the district housing departments handled social housing situations in practice. Therefore, these three interviewees provided further explanation of social housing policies and responded to the specific questions from the resident interviewees.

Fourth step: government officer and property agency

Due to the characteristics of ownership social housing, an officer of real estate department from the Yinchuan government provided the information about the five-year policy implementation in practice. In order to understand the actual market situation for

ownership social housing transaction, one property agency was interviewed to illustrate the transaction of affordable housing through their agency during the last three years.

Additionally, storing the data collected was a very important step. As a voice recorder was used during interviews, the digital files were saved immediately after each interview was finished to a safe and password-protected location, which was always backed up.

5.3 Data Analysis

The analysis of data for each case study is difficult and every one should be led by an analytic strategy (Yin, 2009). Data analysis can be understood as learning by doing data analysis (Dey, 1993, cited by Creswell, 2013). The general process of data analysis in qualitative research involves three steps: preparing and organising the data (transcriptions of interviews, or secondary data), reducing the raw data by process of coding data, and presenting the data results (Creswell, 2013). In case study research, this includes ‘making a detailed description of the case and its setting’ (Creswell, 2013).

Thematic analysis was employed in this research to analyse collected data. Thematic analysis is widely applied in various theories to analyse rich and detailed research. It is commonly applied in qualitative data analysis as ‘a method for identifying, analysing and reporting patterns (themes) within data’ (Braun & Clarke, 2006, p. 79). In inductive research, themes are considered to be ‘strongly linked to the data themselves’, which ‘may bear little relation to the specific questions that were asked of the participants’ (Braun & Clarke, 2006, p. 83). Thematic analysis focuses on identifying and describing themes across qualitative data, rather than seeking certain themes in the data (Braun & Clarke, 2006).

In thematic analysis, identifying themes is the most important activity for data analysis and it is also referred to as index by some authors (Bryman, 2012). Following this approach, the themes and subthemes are produced by reading and re-reading the transcriptions and other collected data (Bryman, 2012). Theme (or pattern) can be referred to as a category or focus that relates to the research questions, which is explored from the collected data through coding transcripts and field notes (Bryman, 2012). In order to figure out the theme from the data, Ryan and Bernard (2003) show that themes are not only involved in text but also can be used to explore other forms of data, such as images.

Themes can arise from multiple approaches that are not only originating from the data, but also can be selected from 'prior theoretical understanding of the phenomenon under study' (Ryan & Bernard, 2003, p. 88). Prior themes can be taken from studied phenomenon, professional literature, or personal experience. Meanwhile, inductive thematic analysis is a data-driven form of thematic analysis, although pre-existing coding frames are not applied to text themes in this form of analysis (Braun & Clarke, 2006).

However, themes were not created before reading through the data, as these were searched for during the data analysis. This research followed the approach to seeking themes in thematic analysis advocated by Ryan and Bernard (2003): by identifying repetitions, indigenous typologies or categories, metaphors and analogies, transitions, similarities, linguistic connectors, missing data, and theory-related material.

5.3.1 Organised collected data

The very first step for data analysis is organising the collected secondary data and transcriptions of interviews. The transcriptions were created soon after the interviews were completed, when the researcher's memories were fresh. These transcriptions were then organised into computer files, along with any relevant field and interview notes.

As the interviews involved local residents from the rural areas of Ningxia, their accent and local dialect influenced understanding at times. Therefore, in order to avoid confusion, interview notes were helpful to make the transcription more accurate. After the transcriptions was completed, the interview recordings were played again, in order to ensure everything was accurately recorded. Microsoft Word was used to organise the transcription and field notes. Meanwhile, in order to maintain participant confidentiality, every interviewees' name and job titles was removed and substituted with a coding name.

5.3.2 Read and reducing data

After completing the transcriptions, it was necessary for the researcher to read and familiarise themselves with the data before beginning the data analysis. A first reading of the transcripts was used to familiarise the interview data before themes were developed. At this stage, the researcher took notes on initial ideas from their reading, but did not start to develop themes (Braun & Clarke, 2006).

Transcription and field notes were read line-by-line, and this careful reading helped to generate the initial codes. Agar (1980, p. 103, cited by Creswell, 2013) recommends researchers ‘read the transcripts in their entirety several times, immerse yourself in the details, try to get a sense of the interview as a whole before breaking it into parts’. Therefore, it is necessary to read and re-read the transcripts, immerse yourself in the data, become intimately familiar with the data, recall the scenes of interviews and reflect on the data that was helpful for increasing understanding. Meanwhile, fieldwork notes were read along with the interview transcriptions in order to help recall the scenes of observations and to supplement the information gained from the interviews, especially those resident interviews that mentioned aspects of the social housing communities that had also been directly observed (e.g. the living environment).

5.3.3 *Identify and validate themes*

After becoming familiar with the data, the next stage focused on searching for themes. Themes were not searched for before the process of coding began. First, the data needed to be reduced and sorted before themes were identified. Notes on initial ideas were taken when reading the raw data, which later helped with coding the data.

Compared with the first reading level, this stage required more intense reading. Transcriptions were read line-by-line very carefully to catch the general meaning as well as the entire scope of the raw data. Coding was an important process for data analysis that was applied not only to reduce the raw information, but also to aggregate the data into categories (Creswell, 2013; Braun & Clarke, 2006).

General coding helped to reduce the massive amount of raw information to a more readable level. Coding was based on the information that was relevant to the research questions (Braun & Clarke, 2006). According to Creswell (2013, p. 3659 of 9761), coding involves: ‘information that researchers expect to find before the study; surprising information that researchers did not expect to find; and information that is conceptually interesting or unusual to researchers (and potentially to participants and audiences)’. This can start from a short code list, but with detailed reading of the database, the codes can be extended (Creswell, 2013). Hence, to apply as many codes as possible at this stage was important to explore potential themes at a future stage.

Next, themes were identified from these coded data. In qualitative research, themes are also referred to as categories. Themes can be 'short phrases, ideas, or key concepts that occur to the reader' (Creswell, 2013), such as the location of social housing in this research. The researcher examined the transcriptions and field notes to explore what interviewees said and what they observed. At this stage, tables and other visuals, such as highlighters, helped to discover themes.

Based on the guidelines for seeking themes, repeated themes were the first to be identified. Most repetition in the coded data was treated as themes, then sorted within this category. Meanwhile, some themes developed into main themes and subthemes. For example, location was the most frequently mentioned topic in interviewees – appearing in nearly all of them. Thus, location was built into a main theme, with subthemes such as convenient location, unsatisfied with location, and so on.

In qualitative research, 'themes are not hidden in the data waiting to be discovered by the intrepid researcher, rather the researcher constructs themes' (Clarke & Braun, 2013). In other words, themes were sought across the data, and focusing on the meanings the interviewees wanted to deliver helped to construct themes. However, not every theme was found to be equally significant. Therefore, it was important to explore as many themes as possible, following the principle of identifying the theme, searching for repetitions, similarities and differences to discover more themes, and then discovering multiple meanings from the data (Ryan & Bernard, 2003; Creswell, 2013). Additionally, when selecting themes, the researcher will conduct further data analysis to decide if these themes are related. Indeed, analysis of themes can be understood as the researcher attempting to explore specific themes by analysing the data and gathering information to provide support for the themes (Creswell, 2013).

At the stage of coding data, codes or categories can be provided by reviewing observation notes, and the key information that the research questions are trying to answer (Stake, 1995). However, at this stage, themes are reduced by reviewing themes. In other words, categories can be adjusted by comparing information, then information under similar themes can be merged, and subthemes developed if differences are found (based on Clarke & Braun, 2013).

Meanwhile, the researcher needs to reflect on if the themes tell the full story contained within the data (Clarke & Braun, 2013). Reviewing themes is a necessary step in order to test if a coherent pattern has been formed (Braun & Clarke, 2006). Thus, consistency is paramount at this stage. If themes do not appear as a coherent pattern in the sample data, they need to be rethought or discarded; conversely, if themes form a coherent pattern in the sample data the researcher still needs to consider the validity of individual themes, ‘but also whether your candidate thematic map ‘accurately’ reflects the meanings evident in the data set as a whole’ (Braun & Clarke, 2006, p. 91). So reviewing themes helps to reveal if they are related to the data set, if any potential new themes have been missed, and if the thematic map tells the whole story of the research.

Themes need to be revised by writing, reading, and rewriting. The principle of searching for themes is to connect the data with the research questions. The researcher must consider if the thematic maps tell the whole story, but also what story each individual theme tells, how it fits into the overall story about the data, and how each theme relates with others (Braun & Clarke, 2006). Meanwhile, subthemes may need to be identified to ‘give structure to a particularly large and complex theme’ (Braun & Clarke, 2006, p. 92). For example, when a resident talked about a social housing unit, ‘location’ was the theme identified, and also one of the two subthemes ‘location for everyday living’ and ‘location for work’. Meanwhile, the ‘location’ theme was found to be closely related to other themes, such as theme of ‘overall satisfaction’.

5.3.4 Presenting the data

Interpreting the data is not composing the actual findings from the data, but understanding the larger meanings of the data beyond the themes (Creswell, 2013). Indeed, the codes and themes were developed from the data in order to gain this more detailed understanding. At this stage, codes and themes help to rebuild the data to display the ideas or views. It presents a coherent story about the data to readers, and links the interpretations with published literature (Clarke & Braun, 2013). For example, in this research, after analysing the data by code and theme, the focus returned to what residents think about social housing and how social housing is implemented. This overall understanding of social housing implementation was constructed from the themes.

5.4 Limitations of the Study

In research, ‘the need [is] not only for being accurate in measuring things but logical in interpreting the meaning of those measurements’ (Stake, 1995, p. 108). Even after the data analysis and presentation of the results of this research, it is necessary to be aware of the limitations of this study. Every method and approach that were applied in this research were intended to answer the research questions. However, limitations refer to the characteristics of these methods that can influence the interpretation of the findings (Price & Murna, 2004). This section will discuss the limitations of the study.

This research employed qualitative case study to explore social housing policy implementation in western China. This research applied a single-case study of Yinchuan to illustrate the implementation of social housing policy. Therefore, although social housing implementation in different cities all follows central government policy, the lack of generalisation is considered as a limitation of this study.

Additionally, multiple sources of data should be collected when conducting qualitative research, as by cross-checking sources of data (triangulation) it is possible to assess the validity of research and to identify the limitations that can arise from the applied methods. Further multiple data collection methods and data sources should be applied in order to obtain a comprehensive understanding of social housing policy implementation, as this would help to identify other limitations of this study. With data source triangulation, the findings of the research are repeated at other times or in other spaces.

Qualitative research is employed to study the understanding of phenomena. However, some of the methods applied in qualitative research are time consuming, such as observation and interviews. The researcher needs to conduct their study over a period of time, but the studied issue might also change over time. During the time taken to conduct this research, the framework of social housing policy did not change, but the details of implementation will be improved over time, such as the income threshold that is adjusted yearly. Hence, the findings of this research only explain the phenomena that happened when the data was collected, meaning future changes are not reflected. As my data source is from a particular time, this limits the comprehensive understanding of social housing implementation in different periods that can be gained from this study.

Additionally, the fact that the data sources was not taken from different spaces results in some limitations. As was mentioned in the section identifying the case, as one of the cities in western China, Yinchuan has some typical situations that exist in most western cities, such as relatively lagging economic development, urbanisation, and an increasing rural migrant population in urban areas. However, Yinchuan also has some specific circumstances that are not typical of all western cities. Firstly, Yinchuan is identified as a Tier 2 city in China, which means it may provide information about the general circumstances of social housing implementation in Tier 2 cities in western China, but this may not be relevant to the specific circumstances in a Tier 1 city (e.g. Chongqing) or Tier 3 city (e.g. Yan' an).

Secondly, differences exist in different cities, such as different population sizes and structures that result in variation in social housing implementation in practice. For example, as western China has a high concentration of ethnic minorities, western cities apply more measures to solve specific housing problems, such as creating units designed for larger families. Meanwhile, according to Map 5-4 and Map 5-5, Ningxia is a Hui ethnic concentration region where there has been a high growth in the ethnic minority population, while similar situations exist in Tibet and Xinjiang. However, other provinces are not minority concentration areas and so have different population circumstances (e.g. Gansu). Thus, Yinchuan was used as a case study city to illustrate policy implementation in a specific local situation, such as in relation to specific local social housing demand. Therefore, the findings of this research may indicate general policy implementation in western China, such as the function of social housing, but how social housing is managed in other specific local circumstances in other cities in western China has not been explored.

Meanwhile, for methods triangulation, multiple methods were employed in this research in order to obtain rich details and a comprehensive understanding to answer the research questions. However, the characteristics of every method resulted in some limitations. This research applied observation, interview and secondary documents.

In secondary documents, outdated data was often found. These data could not be related to or used to explain current housing circumstances. For example, the housing policies in Yinchuan are not updated annually, so some of the policy booklets were published when the policies were first introduced. Additionally, the previous year's government annual

report was provided, but differences existed between the previous year and the current year. Meanwhile, the reliability of the secondary data was not guaranteed, as secondary documents could contain inaccurate information. For example, due to some reorganisation in particular housing authority departments over the last five years, statistical work was handled by different departments, which resulted in some missing data and inaccuracies.

Snowball sampling and opportunity sampling to select interviewees resulted in an uneven number of participants taking part from the different types of social housing, which might cause an inadequate understanding of some phenomena. Meanwhile, snowballed sampling limited the diversity of interviewees. For example, all snowballed sampling interviewees were from affordable housing and price-limited housing, although affordable housing makes up the largest part of social housing. This was because it was very unusual for an interviewee to introduce another potential participant from a different type of social housing than that they lived in themselves. In addition, these sampling approaches limited the range of problems or circumstances of social housing that the researcher explored. For example, when conducting interviews, especially after interviewing a certain number of local residents, the same situations or problems were mentioned by different residents, and it limited to examine other different issues.

Furthermore, this research only involved a small number of interviewees, meaning that, especially for resident groups, all aspects of the experiences of social housing could not be examined. For example, because some of the affordable housing resident interviewees were identified using snowball sampling, the age range was concentrated between 26-30 years old, which limited the exploration of residents' experience from different age ranges, such as older residents' expectations of social housing.

5.5 Ethical Considerations

In social science research, ethical issues are an important aspect that the researcher has to consider and this involves undertaking responsibilities to all participants who take part in the research (Bryman, 2012). In this research, ethical issues were considered paramount because the participants of this research included various groups, including residents, as the participants and they shared their personal experiences of social housing. According to Bryman (2012) and Diener and Crandall (1978), four aspects of the ethical principles

should concern the researcher when conducting research: avoiding harm to participants, gaining informed consent, protecting privacy, and avoiding deception. This research was conducted following these aspects of ethical principles.

The priority and paramount task of the researcher is to avoid to harm to participants. Harm can include various aspects, such as physical harm, stress, and so on (Bryman, 2012). This research involved participants including government employees, developers and local residents.

In order to interview government officers, it was necessary to make an appointment. These interviewees were from different departments, including middle-level staff and high positioned officers. Some government participants asked the purpose of the interview while making the appointment, and a brief introduction to the aims of this research was provided to allow them to decide if they would be willing to participate. During the interviews, the interviewees were invited to freely share their views and they were not pushed to reveal information that they did not wish to share or that would influence interviewees' occupations and positions. For example, some officers stated that they would not answer any questions about particular topics where the information was classified, so they were not pushed to provide these answers. Moreover, this situation was also the case when interviewing developers and property agency staff, so again the researcher was careful not to pressure them to disclose information that could harm their business operation.

While interviewing local residents, the researcher also had to avoid making them feel uncomfortable. Therefore, questions that interviewees were reluctant to answer or share their experiences of for personal reasons were dropped during interviews. For example, some of the residents interviewed felt uncomfortable sharing their income, previous living situations, or certain personal circumstances, so in these cases these questions were skipped. The researcher's contact details were given to participants who were willing to communicate further in the future about the research.

With regards to informed consent, it is very important to disclose the purpose of research to participants at the beginning, that participants take part in the research voluntary, and that the research does 'not place the participants at risk' (Creswell, 2013, p. 1374 of 9761). In other words, the participants had the right to choose if they wanted to take part in

interviews and the researcher did not push them to participate. In this research, some residents refused to participate in interviews, but they were not pushed or forced to accept.

In addition, it was necessary to get permission to conduct on-site observation data collection. The first step was to get permission from the security department or gatekeepers of the social housing communities studied. The researcher then introduced the purpose of the observations in order to obtain permission for data collection, including photography, observing factors of the community, and selecting residents to interview. The purpose of every observation was explained to the gatekeepers in order to gain access to the communities.

Bryman (2012) advocates some principles of data protection that should be followed when personal information is involved to ensure the confidentiality of participants' private information. In this research, every stage of the study was processed fairly and lawfully. For example, all participants' personal information, such as names, addresses, contact details, and position, was not stored and did not appear in transcripts. The collected data will be used for this research only and it is stored in a safe place. Once this research is completed, unnecessary data will be destroyed.

5.6 Conclusion

This chapter outlined the methodology that was used to conduct this research. This research applied case study as a research strategy, used qualitative research methods, included observation, interview and secondary data, and employed thematic analysis to obtain the answers to the research questions in this study.

This research applied single-case study, using Yinchuan as a case study city in order to achieve the purpose of this research. Case as a specific, complex, functioning approach is applied in qualitative research frequently. Case study in this research was referred to as instrumental study, which would create understanding not only about the case itself, but also present a broader picture. Yinchuan was used as a vehicle to study social housing implementation in western China.

Additionally, a research paradigm was identified based on research philosophy. The purpose of this research is to understand the importance of social housing policy

implementation in Yinchuan, rather than for discovering general knowledge about social housing. Therefore, associated with the philosophical assumption and research paradigms, interpretivism of epistemology and constructivism of ontology were selected as appropriate paradigms to be employed in this research.

Qualitative research was applied in this research in order to obtain detailed information of social housing policy implementation in Yinchuan, and three methods – non-participant observation, semi-structured interview, and secondary documents – were used to collect data. Then, the thematic analysis was employed as the major approach to analyse the collected data.

Finally, it was important to identify the limitations of this research clearly so that it could inform future research and the precautions of ethical considerations were explained. The next chapters will present the results of this research, which were obtained by following the methodological process outlined in this chapter.

Chapter 6: Describing the Evolution of Social Housing in Yinchuan

6.1 Introduction

As was discussed in the earlier chapters, the 1998 housing policy reform of China placed social housing policy within the national range. In this research, ‘social housing’ in China is defined as ‘housing where the access is controlled by the existence of allocation rules favoring households that have difficulties in finding accommodation in the market’ (UNECE, 2003, p. 11; cited by Chen, et al., 2014, p. 536). In other words, it is letting or sale of property at a rental rate or price lower than market. This is generally provided by the government, although a small amount of social housing is provided by local employers to those who are most in need of housing. It includes four types of social housing: *affordable housing*, *low-rent housing*, *price-limited housing*, and *public rental housing*.

Since the announcement of the Open Door policy in 1978, housing marketisation drove the rapid development of housing market in China. Nonetheless, from housing shortages to high housing prices, different problems have appeared at the same time. The high profits made by commercial housing development drove the rapid development of commercial housing, meaning that China has become ‘a predominantly commercial housing market with social housing’ (MacLennan et al, 2014, p. 41).

In the 1990s, one of the purposes of the Anju programme was to ease housing problems for retired residents and low-income residents in Yinchuan. However, housing issues emerged during its development that highlighted the importance of social housing.

Firstly, there are housing problems related to urban poverty. When the Anju programme was first implemented, it aimed at easing housing shortages. However, at the early stage of its implementation, employees still mainly relied on work-unit housing, even though the number of work-unit housing had started to be reduced. Thus, the Anju programme did not get enough attention, either from developers or residents in Yinchuan. Furthermore, although the implementation of the Anju programme particularly focused on helping low-income people with housing problems, there was not housing that aimed to secure poor people, especially unemployed urban poor people, who were struggling with housing difficulties.

Secondly, there has been a rapid growth in housing prices. As commercial housing played such a predominant role in housing development, its increasingly high price caused it to become unaffordable for increasing numbers of middle- to low-income people in the urban areas of China. According to Li & Driant (2014), the price-to-income ratio (PIR) is the ratio between medium income and medium housing price and it can be used to explain housing affordability. For example, in 2007, the average PIR at a national level in China was around 5.57, which was higher than the international standard PIR of 3 to 5. In 2007, most of cities with higher PIR were located in southern China, such as Shanghai (9.81) and Xiamen (10.42), while cities with standard PIR were located inland in China, such as Yinchuan (4.67). However, in 2009, the PIR of Yinchuan increased to 6.2, and it maintained first position of national housing price growth rate in next 10 months. Meanwhile, the average disposable income of Yinchuan's citizens was only ranked fourth place from bottom out of 36 cities in China (CNR, 2009). Two factors exacerbated this situation: 1) the end of the work-unit housing allocation pushed people to the market for housing; 2) there was a rapid growth in the migrant population, who came from the surrounding cities and rural areas because the living environment in the Yinchuan urban area had greatly improved with economic development and urbanisation. Indeed, 61% of commercial housing in the Yinchuan city area has been purchased by non-local residents (CNR, 2009). Therefore, the increasing demand on housing made the price rise rapidly, meaning that an increasing number of middle- to low-income local residents could not afford it.

This chapter will describe the importance and implementation of the social housing policy in Yinchuan chronologically, exploring the implementation of each type of social housing in Yinchuan, including: affordable housing, low-rent housing, price-limited housing, and public rental housing. The key factors influencing social housing in Yinchuan are displayed below in Table 6-1.

Table 6-1: Summary of Social Housing in Yinchuan (made by author)

	Start Year	Target Group		Tenure		Unit Size
		Current Housing Situation	Income Level	Tenure Condition	Security of Length	
Affordable Housing	1998	The average floor space of per capita is less than (include) 15 m ² .	Middle- to low-income urban resident, whose family annual disposable income is less than 1.3 times of average disposable income.	Ownership with limitation, can be traded in market after owned 5 years (when meeting conditions).	Permanently	Less than 70 m ²
Low-rent Housing	1998	The average floor space of per capita is less than (include) 15 m ² .	Low- to lowest-income urban resident, whose family annual disposable income is less than 60% of average disposable income.	<ul style="list-style-type: none"> ✓ Rental only; ✓ Property provided, or cash subsidies. 	Depend on eligibility	30-50 m ²
Price-limited Housing	2010	The average floor space of per capita is less than (include) 15 m ² .	Middle-income urban resident, whose family annual disposable income is less than 1.5 times of average disposable income.	Shared ownership, can be traded in market after owned 5 years (when meeting conditions).	Permanently	Less than 90 m ²
Public Rental Housing	2010	The average floor space of per capita is less than (include) 15 m ² .	All of 'sandwich group' including migrant, whose family annual disposable income is less than 1.3 times of average disposable income.	Rental only.	Depend on eligibility	40-60 m ²

6.2 Social Housing Policy in Yinchuan

Social housing was officially introduced in Yinchuan in 1998 and it has been improved since then to meet the core housing problems of its different target residents.

6.2.1 Affordable housing in Yinchuan

Affordable housing is the type of ownership social housing that was first introduced in Yinchuan. Its implementation has gone through different stages: Anju programme (early affordable housing), and current affordable housing.

Background of affordable housing implementation in Yinchuan

Early stage of affordable housing in Yinchuan (before 1998): Anju programme

The idea of social housing was proposed in China in 1991. Housing prices experienced fast growth after the government required employers to reduce the provision of work-unit housing. In early of the 1990s, due to economic development lagging in Yinchuan, many people decided to leave for southern China, or some other big cities in China, to obtain a better life. Thus, due to the small population base and rate of outwards migration from Yinchuan, the population of the urban area did not increase as fast as in other big southern cities in the country. Simultaneously, although the quantity of work-unit housing units had been reduced, it still played an important role for local employees, who continued to rely on it to solve their housing problem. Hence, the demand of housing in Yinchuan was not as obvious as in other southern cities in China during the 1990s.

According to the 1991 housing policy, the Anju programme was designed to solve the housing problems of low-income people and people who were not provided with work-unit housing. At the beginning of implementation, the Anju programme focused on low-income residents who could not afford commercial housing on the market, or low-income employees who worked for companies that did not have work-unit housing allocations. In southern China, the increasing population growth and speedily economic development drove commercial housing, which was developed earlier than in western China. Simultaneously, central government planned to use low price housing to ease housing difficulty, so they declared that the Anju programme could ease the overcrowding problems caused by the rapid growth of population in the urban area. Thus, the Anju programme in southern China not only aimed to solve low-income families' housing

problems, but it also promoted housing marketisation and improved housing conditions (Wang, 2011).

However, the Anju programme did not play a major role in housing development in Yinchuan. With work-unit housing reduced, housing policy reform and the Anju programme were introduced on a national level in 1994. Following this, many Anju programme communities were built in Yinchuan because of the increasing urban population. The period from 1996 to 1998 was a significant time for housing policy reform, as, with the income gap between rich and poor people increasing, the Yinchuan government recognised that the incomes of most middle- to low-income families were too low to purchase commercial housing in the market. However, as the work-unit housing allocation continued during this period, the Anju programme was not in huge demand in Yinchuan until the 1998 housing policy was introduced.

Affordable housing

As discussed in Chapter 3, the 1998 housing reform aimed to stop the work-unit housing allocation and it officially introduced a social housing system that included affordable housing and low-rent housing. The Anju programme has been referred to as affordable housing since the 1998 housing reform (Yang & Chen, 2014). Since then, Yinchuan came into 'a predominantly commercial housing market with social housing', similarly to other cities in China (MacLennan et al, 2014, p. 41). The end of work-unit housing resulted in increasing demand for housing that drove the rapid increase in the price of commercial housing. Indeed, commercial housing has provided important economic support for local development and at same time, rapid development has pushed up commercial housing prices, meaning that increasingly middle-income families have experienced affordability problems. According to the 1998 housing policy reform, affordable housing aimed at solving the housing problems of 70%-80% of residents at a relatively low price, but the high profits from commercial housing caused affordable housing to develop slowly at the beginning.

Although Yinchuan lags economically compared to other cities in China, it has followed them by focusing on developing commercial housing over social housing. According to one local government officer, the Yinchuan government obtained greater benefits and economic returns from selling the land to commercial housing developers.

'Yinchuan is one of the western cities, [...] it was a poor city, we did not have enough budget to build social housing, and the sale of land to developers of commercial housing can get money that will help social housing development, and the sale of land is one of the most important approaches to obtain budget for social housing construction'

(Officer, Department of Urban Planning and Development of Ningxia)

Meanwhile, the growth of the urban population drove increasing demand for housing. The Yinchuan government published an improved affordable housing policy in 2003, a time during which commercial housing was overpriced. An increasing number of middle-income people led to a high demand for affordable housing because of its relatively low price. Thus, it was imperative to accelerate the development of affordable housing.

The implementation policy of affordable housing in Yinchuan

Since affordable housing was introduced in 1998, the Yinchuan government has followed the central government guidelines to implement affordable housing officially, and large-scale affordable housing construction began in 2003. Meanwhile, the Yinchuan government enhanced affordable housing implementation consistently by improving policies with its development. At the early stage of affordable housing implementation, according to *the Regulation of Marketing Management of Affordable Housing of Yinchuan (Yinzhengfa [2003] No. 102)*, affordable housing aimed at solving housing problem of middle- to low-income family, around 70% to 80% of local urban residents. In addition, *the Temporary Regulation of Affordable Housing Marketing Management of Yinchuan (Yinzhengfa [2008] No. 112)* (hereinafter No. 112) indicated affordable housing concentrated on solving the housing problem of low-income urban residents with housing difficulties rather than those in the middle-income group. However, with an increasing income gap between the rich and the poor, a great number of middle-income people became involved in affordable housing.

Additionally, *the Regulation of Construction Management of Affordable Housing of Yinchuan (Yinzhengfa [2003] No. 196)* (hereinafter No.196) indicated that affordable housing in Yinchuan not only aimed at solving housing problems, but also at improving housing conditions. According to No. 112 and No. 196, floor space of per unit of affordable housing was controlled between 70 m² and 90 m². In same year, the average

floor space per capita in Yinchuan was lower than the national average level, as the average floor space per capita in Yinchuan was 21 m². When the national average floor space reached 23.7 m², the national average floor space of a family of three was around 70 m², but in Yinchuan it was only around 65 m². Thus, to some extent, affordable housing helped to achieve the national average level of floor space per capita to improve living conditions for local residents.

At the early stage of implementation, the Yinchuan government only constructed a few affordable housing units in remote areas. However, with the improvement of living standards, people attached greater importance to the location and facilities available around affordable housing, leading to more people believing that location was one of the most important issues they should consider when they purchased affordable housing (Wong, et al., 2007). Thus, No 196 declares that the new construction of affordable housing will involve creating basic facilities and a convenient location will be used. These aspects of affordable housing will be discussed in later sections.

Simultaneously, in order to ensure the affordability of affordable housing, the Yinchuan government followed the affordable housing policies which were established by central government: *the Notification of about Issue Price Management of Affordable Housing of SDPC and MOC (Jijiage [2002] No. 2503)* (hereinafter No. 2503 Document). According to the No. 2503 Document, in order to ensure the affordability of affordable housing, the price takes into account three parts: development cost, tax, and profit. The price of affordable housing is controlled to be affordable to most urban middle- to low-income families, and there is an appropriate price difference kept from the price of commercial housing in the same area. Thus, in order to satisfy the requirement of the policies, the land for affordable housing is given by the local government for free and there is little paid in tax, although the profit made from affordable housing must be less than 3%. However, as Chen, et al. (2014) highlight, affordable housing is still unaffordable to most low-income residents, even if low-income people are one of the targets of affordable housing.

Combining the situations above-mentioned, the demand for affordable housing has increased on account of the low price and relatively good living conditions that led to the shortage in affordable housing occurring. As the Task Group of Ningxia Communist College (2010) discusses, since the implementation of policy No.102, the shortage of

affordable housing and high demand results in around 1,500 families being unable to purchase housing stock every year.

Affordable housing is mainly supported by the fiscal budget of local government, although, because of the varying financial situations in different areas, central government supplies some budget to support affordable housing construction. As western China is a relatively economy-lagging region, central government supplies more budget to western cities than to other regions of China. Although Yinchuan obtains this budget support, local government still cannot satisfy the increasing demand for affordable housing because of its limited financial situation. Thus, the supply of affordable housing is less than demand.

Meanwhile, the housing market rapidly developed during 2004 to 2007, but the development of affordable housing was slower than commercial housing. As one Yinchuan government officer explained:

'There was only one affordable housing community in Yinchuan that was constructed in 2005 [...] firstly, developers prefer to develop commercial housing rather than affordable housing because of a greater profit from commercial housing; then, local households didn't fully understand what is social housing, hence it didn't reflect the real demand [of affordable housing]'

(Officer, Department of Social Housing of Yinchuan)

In addition, according to the Task Group of Ningxia Communist College (2010), during 1995 to 2009, the Yinchuan government not only implemented social housing, but also constructed re-settled housing. During this period, Yinchuan constructed 2,948,600 m² of affordable housing, but 1,706,200 m² of affordable housing was used as re-settled housing, while only 1,242,400 m² of affordable housing was sold to the public. The shortage of affordable housing and the increasingly high price of commercial housing drove the great growth in demand for affordable housing. Hence, Yinchuan initiated a large-scale construction period of affordable housing in 2008, and started to construct around 5,000 units of affordable housing, most of which were completed around 2010.

Although they were introduced in the same year, affordable housing has been the focus of greater attention than low-rent housing. Affordable housing helped to ease the shortage of small- to medium-sized unit for middle- to low-income residents, especially during the early stage of social housing implementation. Within an affordable range, most residents prefer to own their houses rather than leasehold, with around 90% of UK residents indicating home-ownership is their preferred choice (Stephens, 2008). This desire for ownership was the most important reason that affordable housing was identified as an effective way to solve some housing problems permanently and to allow rapid cost recovery. Indeed, it not only increased social housing privatisation but also eased the pressure on local fiscal budgets, as Yinchuan did not have enough economic strength to provide sufficient social housing units for all middle- to low-income households. Thus, some residents' housing problems were solved by affordable housing first, then the returned funds were used for further social housing construction. As one officer summarised:

'Comparing with rental social housing, such as low-rent housing, sale ownership social housing can make cost-recovering faster, then we can use this recovered money to build more social housing, especially rental social housing [...] at least let some people get being housed [by affordable housing] first.'

(Officer, Department of Social Housing of Yinchuan)

Figure 6-1: New Social Housing Construction Started in Yinchuan, 2008-2015 (made by author).



As Figure 6-1 illustrates, the new construction of affordable housing was concentrated between 2008 and 2009, and it declined from 2010. Indeed, there were some issues that appeared while implementing affordable housing that caused the Yinchuan government to reduce the construction of affordable housing from 2010.

Firstly, with the demands on affordable housing increasing and the real estate bubble, affordable housing projects had become popular. According to Cao and Keivani (2014), some cities did not have size standards set by local government, so, in order to obtain more profit, the floor space of affordable housing in some cities was over 100 m², while others were 150 m² to 200 m². By this time, some regions in China had already stopped building affordable housing and they were focusing on rental social housing development, such as in Hebei (Wan, 2011; Zhang & Wang, 2011). Yinchuan experienced over-sized units of affordable housing after several years of implementation. Although the floor space of affordable housing had been controlled strictly, some of the affordable housing in Yinchuan was built with more than 90 m² of floor space. Meanwhile, local government noticed that large unit size attracted people who were looking to purchase affordable housing as an investment, rather than as a solution for solving their housing difficulty. Hence, in 2007, following the improvement of the affordable housing policy by central government, the unit size was reduced to less than 70 m². Local government argued that this still met basic housing needs, even at this reduced unit size.

Secondly, the demand for affordable housing decreased alongside social housing system improvement, with more types of social housing implemented in order to help residents with various levels of income. Meanwhile, different core housing issues appeared. In order to solve these core housing issues during this different period, the local government adjusted the development focus of social housing construction.

Hence, with the increased construction of other types of social housing, affordable housing was not a major area of construction for the future of social housing development.

6.2.2 Low-rent housing in Yinchuan

Background of low-rent housing implementation in Yinchuan

In the 1998 housing policy reform, low-rent housing was introduced with affordable housing that was targeted to solve the housing problems of low-income and poor people (10%), but aimed primarily at very poor people (Chen, et al., 2014). Low-rent housing was developed relatively slower than affordable housing during the early stages of its implementation in Yinchuan. After the 1998 reform, some low-income residents purchased the allocated work-unit housing that they were living in,¹¹ while most of low-income and poor people lived in self-built private houses in very poor conditions. Low-rent housing did not receive much attention until 2001, with Shanghai the first city to implement low-rent housing, and other cities in China soon following.

With the urbanisation of Yinchuan, increasing private housing had been dismantled as the urban area was extended. Some of these households were the lowest-income people (Dibao), which means those households that receive MLSS (Yang & Chen, 2014). Generally, ‘Dibao’ households were living in privately-constructed housing, and they could not afford commercial housing, or affordable housing, and even had difficulty paying the market rent.

¹¹From 1994, housing policies declared that residents could purchase the work-unit housing that they were living in at a relatively low price, which was a market-oriented method.

‘When I just doing this work, I’ve visited many lowest-income families in order to have a good understanding about their living situations. Most of them had really bad living conditions, overcrowding, no heating, no hot water, sharing kitchen and toilet, the environment was really poor as well, like rubbish just gathered around where they lived, and most were dirt path that was even worse when raining or snowing’

(Officer, Department of Social Housing of Yinchuan)

In order to solve the housing problems of these low-income and poor people has become a significant issue. Thus, developing low-rent housing would have a greater impact on the living standards of these residents in Yinchuan.

The implementation policy of low-rent housing in Yinchuan

Although low-rent housing was introduced from 1998, the Yinchuan government published and implemented *the Regulation of Housing Management of Low-rent Housing in Yinchuan (Yinchuan Zhengfuling [2003] No. 141)* (hereinafter No.141) in 2003. In Yinchuan, No.141 aimed to improve the social housing system, solving the housing problems of low-income families, and standardising the management of social housing. Low-rent housing is housing with social security that is provided by the local government to solve the housing problems of people with no housing or family housing difficulties who do not meet the urban minimum living standard. According to Yang and Chen (2014), Dibao and households meeting the criteria of housing difficulty should be fully covered by low-rent housing system.

Although Yinchuan officially introduced management regulation of its low-rent housing policy in 2003, it implemented low-rent housing by supplying cash subsidies before it. Yinchuan supplied low-rent housing cash subsidies to households experiencing difficulties with housing or very poor residents. Low-rent housing is owned by local government, and, according to Yang and Chen (2014, p. 97), it is ‘primarily financed by the local government and has obtained some financial support from the central government’. In addition, ‘rent-only’ social housing, such as low-rent housing, ‘requires long-term investment commitments with relatively low returns and high political risk’ (Chen, et al., 2014, p. 544). Hence, at the early stage of social housing implementation, significant fiscal difficulty meant that the Yinchuan government was not able to supply

fiscal support for new low-income construction, even with the financial support from the central government. Based on these circumstances, from 1998 to 2003, the Yinchuan government was not able to build any low-rent housing, so instead they purchased some old work-unit housing units for those who met the greatest housing difficulty and supplied cash subsidies to the lowest-income residents.

According to No. 141, the Yinchuan government supplies two forms of low-rent housing in order to satisfy the various demands of low-income and poor people: supplying demand-side subsidy as the major method, and supplements with subsidized housing unit.

Firstly, as Huang (2012, p. 942) discusses, ‘rent subsidies are monetary subsidies to low-income households who rent private rental housing in the market’. In other words, the Yinchuan government provides cash subsidies to allow eligible applicants to rent units in the market. According to the latest version of *the Management Regulation of Social Housing of Yinchuan (Zhengfuling [2013] No. 2)*, there is a formula to calculate the demand-side subsidy: demand-side subsidy = standard market rent (yuan/m²/month) × (standard floor space - floor space of current unit of applicant), and floor space of per capita cannot be less than 15 m². Standard floor space can be understood as the floor space of unit which would be supplied if local government was supplying it in kind. For example, if the floor space of the current unit of a family of three is 40 m², their minimum standard floor space should not be less than 45 m². If supplying in kind, this family would have a unit no less than 45 m². Thus, assuming standard market rent was 10 yuan/m²/month, and the in-kind unit was 50m², this family would receive demand-side subsidy that was standard market rent × (50m² - 40 m²) = 100 yuan/month. In other words, demand-side subsidy will be adjusted to supply by family size. Additionally, according to *the Press Conference of Yinchuan Social Housing Projects* (2011), eligible applicants are only permitted to rent units with a floor space of less than 60 m².

For applicants with no housing, the local government will supply a fixed amount of demand-side subsidy every month as long as the applicant is eligible. In 2013, the demand-side subsidy for non-housing applicants was 300 yuan/month for a family of one, 400 yuan/month for a family of two, and 500 yuan/month for a family of three, to allow them to rent housing in the market until they can be allocated in kind. This cash subsidy is adjusted every year.

Thus, cash subsidies not only solve housing problems for low-income families, making housing more affordable for tenants in receipt of the subsidy, but also relieve the pressure of demand due to low-rent housing shortages. As one officer commented:

‘Cash subsidy is a good way to help low-income people have a place to live in a short time, and it is also an effective way to improve their living standards. Meanwhile, this helps those cities, like Yinchuan, which do not have enough in-kind low-rent housing to cover all eligible applicants in a short time’

(Officer, Department of Social Housing of Jinfeng District)

However, another officer showed that they had concerns about cash subsidies:

‘Demand-side subsidy could solve the housing issue in a short time, but some residents probably do not use the cash for housing, instead they use it as part of their living cost, or waste it, then they come back to us with housing issues again’

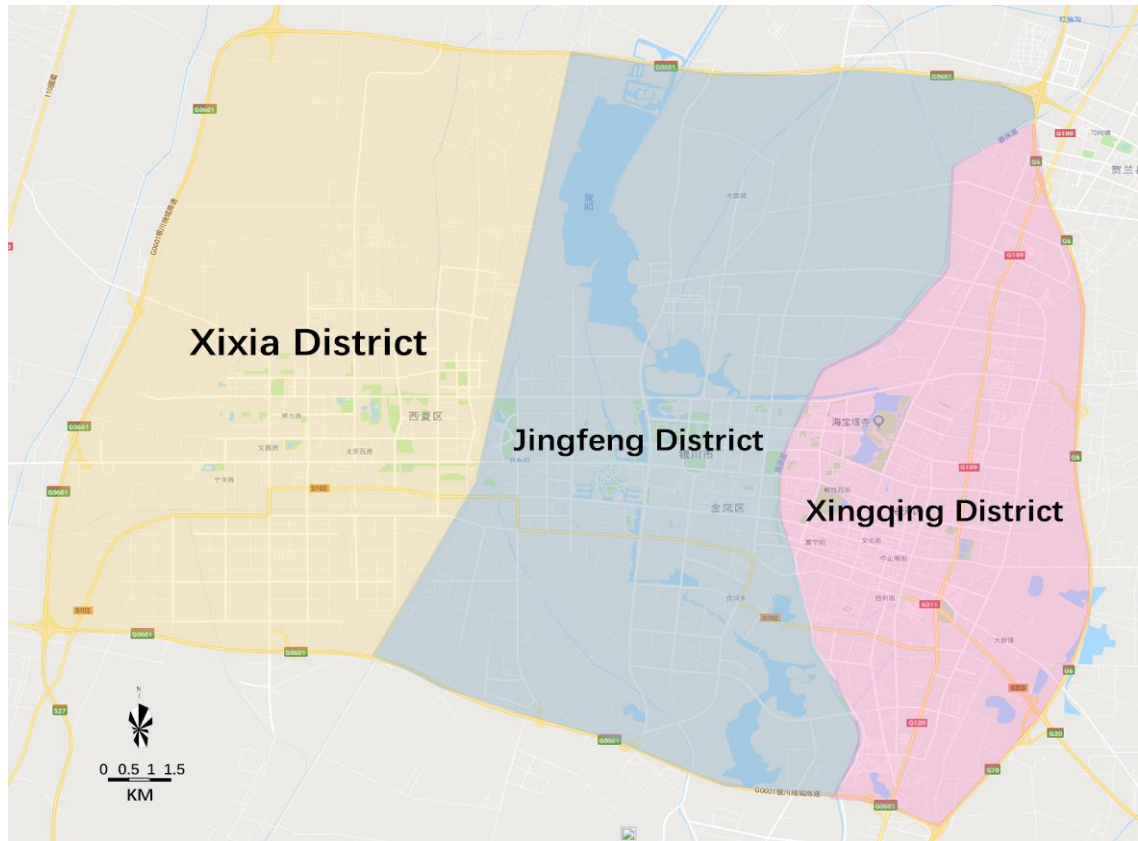
(Officer, Department of Social Housing of Yinchuan)

Therefore, although there are some concerns about cash subsidies, they provide great help both for government and residents.

Secondly, the local government supplies subsidised low-rent housing units. According to Huang (2012, p. 942), low-rent in-kind housing is ‘housing provision with controlled rents’, which means low-rent housing is provided by local government with ‘government-controlled rents’. No. 141 indicates that, based on the same size and same quality, the standard rent of low-rent housing is only 10 % of market rent, reducing to 5% of market rent for families in very difficult circumstances. For example, if the rent of 60 m² unit is 800 yuan/month, the rent of 60 m² low-rent housing with the same conditions is only 80 yuan/month.

The urban area of Yinchuan is divided into three districts: Xingqing, Jinfeng, and Xixia (See Map 6-1).

Map 6-1: Three Districts of Yinchuan City (made by author).

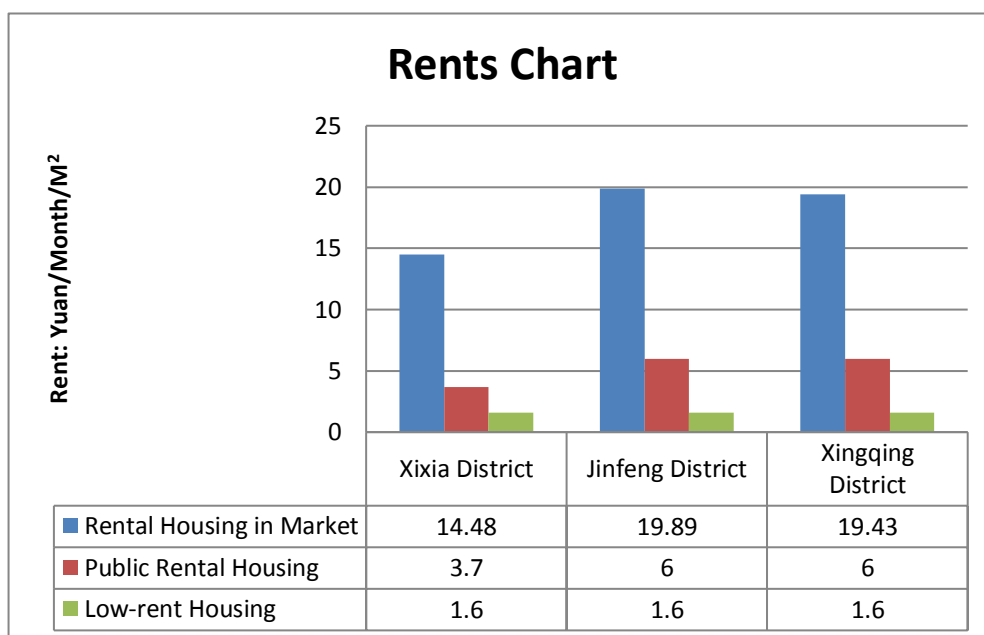


According to the statement of a property agency, generally, the cost of ordinary rental housing in the market is Jinfeng district >Xingqing district >Xixia district. Due to different level of urbanisation, the average rent of ordinary rental housing in the market within the three districts is different: in 2014, the average rent of rental housing was 19.89 yuan/m² in Jinfeng, 19.43 yuan/m² in Xingqing, and 14.48 yuan/m² in Xixia. However, the standard rent of low-rent housing does not vary by location, which is different from other type of social housing, especially public rental housing, as will be explained further below.

Standard rent is set by local government and is adjusted annually according to the previous year's disposable income per capita and the market rent rate. In order to manage the calculation of low-rent housing rent, local government publishes the standard rent of low-rent housing every year. In 2014, the standard rent of low-rent housing was 1.6 yuan/m²/month, and the average market rent was 19.43 yuan/m²/month in Yinchuan. In other words, the rent of 60 m² of low-rent housing was 96 yuan/month (60 m² * 1.6 yuan/m²/month), which is cheaper than the market rent of 1,165.8 yuan/month (60 m² *

19.43 yuan/m²/month). According to Figure 6-2, there is a significant rent difference between market housing and low-rent housing.

Figure 6-2: Rents of Three Types of Rental Housing in Yinchuan, 2014 (made by author).



The Yinchuan government provide general housing units with appropriate space and charges standard rent to eligible applicants. Compared with other sources of affordable housing, which only come from new construction, there is more than one approach for sourcing low-rent housing:

- empty public housing¹² units that meet the standard requirements of low-rent housing
- new housing units have been built or purchased by local government
- community donations

By 2008, all low-rent housing units were old public housing, and with a total of around 200 units there were far less than demand required. However, old public housing only provides a very small part of low-rent housing, as the major source is new construction. Especially between 2007 and 2009, the low-income residents of Yinchuan met very serious housing issues. According to a local government officer, during that period, the

¹² Public housing: old work-unit housing, which is owned by the government.

price of commercial housing was too high and that meant the rent was overpriced. Meanwhile, affordable housing was not affordable to low-income families. For example, in 2008, Yinchuan had 336 units of affordable housing, but after 6 months only 163 units had been purchased. Although affordable housing helped to ease parts of housing demand, Yinchuan still lacked social housing units that were designed for low-income families (The Task Group of Ningxia Communist College, 2010).

Meanwhile, increasing numbers of low-income residents were finding it difficult to afford housing in the market and cash subsidies did not improve the housing standards of low- to lowest-income residents. Thus, in 2009, the Yinchuan government increased their construction of low-rent housing. In addition, with an improved financial situation, Yinchuan accelerated the construction of low-rent housing between 2008 and 2009 (Figure 6-1).

‘We met serious housing issues for the low-income group, and we had met a shortage of low-rent housing for a couple years. To be honest, from the beginning of implementation, [...] between around 2008 to 2009, the demand for low-rent housing increased speedy, much more than affordable housing, thus, we increased construction of low-rent housing in that period’

(Officer, Department of Social Housing of Yinchuan)

In addition, in 2008, the Yinchuan government published the *Notification of Relevant Issue about the Temporary Regulation of Constructing Low-rent Housing in New Residential (Yinzhengfa [2008] No.77)* (hereinafter No.77). No.77 requires new constructed communities, both in commercial housing communities and affordable housing communities, to have a proportional of low-rent housing units. Firstly, in new commercial housing communities, low-rent housing has to account for 3% of the total construction space. Secondly, in new affordable housing communities, low-rent housing has to account for 5% of construction space.

Meanwhile, the construction of new low-rent housing has to follow these requirements:

- floor space of each unit has to be controlled between 30 m² to 50 m²

- must be a single-family detached model, with basic facilities, such as heating, a toilet, and a kitchen
- tenants can directly move in without the need for re-decoration

Simultaneously, in order to control the rent of low-rent housing, the construction of low-rent housing applies the same provision as affordable housing construction (see 6.2.1). As low-rent housing is developed by local government, the land for their construction is assigned for free and is exempted from most tax. In addition, different from affordable housing construction, low-rent housing is rented to low-income families and the Yinchuan government declares that every unit of low-rent housing must be equipped with basic living facilities, such as a sink, toilet, and heating.

6.2.3 Price-limited housing in Yinchuan

Background of price-limited housing implementation in Yinchuan

Price-limited housing is another type of ownership social housing. At the beginning of affordable housing and low-rent housing implementation, the price of commercial housing was not as high as it is currently, and the price gap between commercial housing and affordable housing was not as obvious. The rapid development of commercial housing resulted in a significant price growth, and the price gap between commercial housing and affordable housing increased, resulting in the increasing number of households in the ‘high sandwich group’.

With the rapid urbanisation of Yinchuan, the increasing urban population exacerbated the shortage of small- to middle-sized dwelling units. During the period of rapid development in commercial housing, developers pushed for higher profits, and they preferred to construct big units rather than small- to medium-sized ones. This led to commercial housing that was more difficult to afford for most of middle-income residents. The growth in population resulted in a massive demand for housing that pushed up the price of commercial housing. Consequently, the number of households in the ‘high sandwich group’ is increasing with the rapid increase in the price of commercial housing.

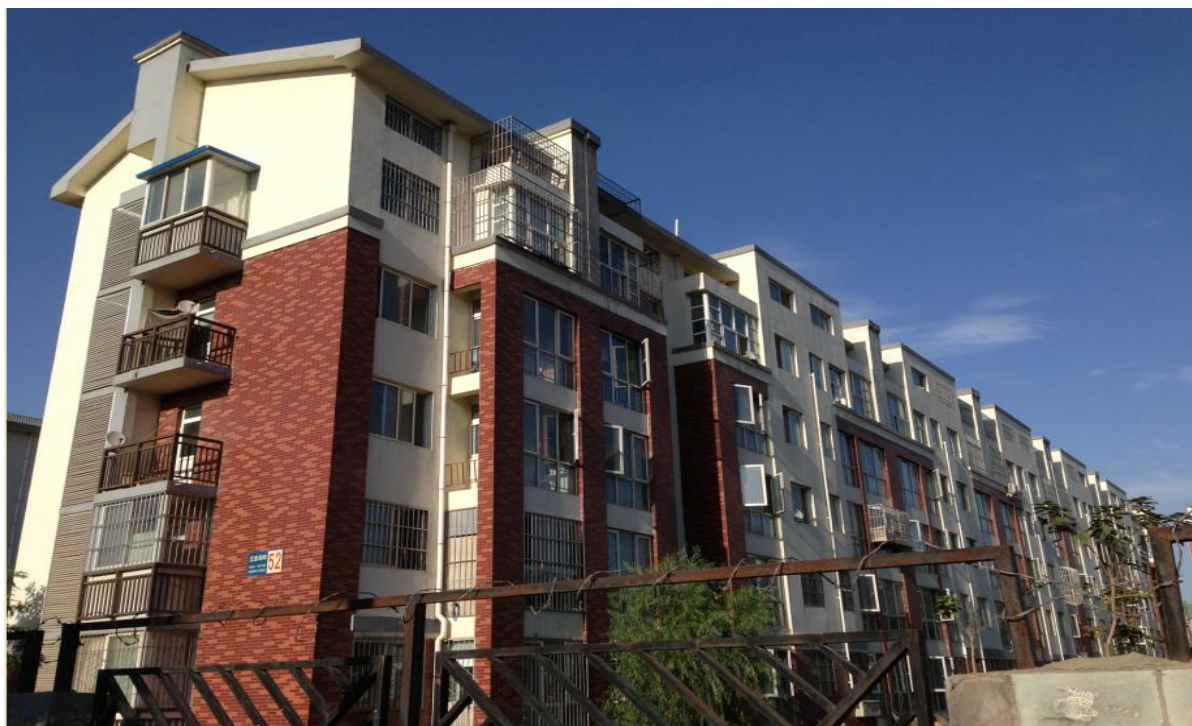
The implementation policy of price-limited housing in Yinchuan

Price-limited housing was introduced to solve the housing problems of the 'high sandwich group', as a part of the 'indemnity and comfortable living project' with 'a dual-restriction commodity in that both the selling price and the apartment size are severely controlled' (Huang, 2012, p. 943; Yang & Chen, 2014, p. 93). Price-limited housing was introduced nationwide, but Ningbo city was the first city to experiment with its implementation from 2003 (Zhang, 2008). From 2008, Beijing and other big cities in China began to implement price-limited housing. Compared with these cities, the implementation of price-limited housing in Yinchuan was relatively late, as it was not introduced until 2010.

In Yinchuan, implementing price-limited housing aimed at achieving two aims. Firstly, price-limited housing could restrain the price increases in commercial housing. For instance, Ningbo introduced first phase price-limited housing in 2003 in order to restrain the rapidly increasing price of commercial housing and by 2007 the increase in commercial housing prices had dropped from first place to fifth place nationwide (Zhang, 2008). Secondly, price-limited housing could ease housing demands for the increasing number of 'high sandwich people'. In Yinchuan, as mentioned earlier, the high profits demanded from commercial housing resulted in the short supply of small- and middle-sized dwelling units. Hence, price-limited housing that limits the size and price of housing will not only meet the needs, but also restrain the price of commercial housing.

According to *the Regulation of Construction, Sale, and Management of Price-limited Housing in Yinchuan* (2010) (hereinafter the Price-limited Housing Regulation), price-limited housing refers to commercial housing with welfare, or dual-restriction housing that is controlled in terms of its selling price, size, and target customers. Yinchuan introduced the first price-limited housing area, Wuli Hupan, in 2010, which occupies around 70,000 m² with the size of each dwelling under 90 m². The Yinchuan government requires that the size of price-limited housing must be less than 90 m², and selling price will be 15%-20% less than the price of ordinary commercial housing in same location. Due to the fact that the land for price-limited housing is not offered for free, developers who take on price-limited housing projects need to go through public tender to bid for land from the local government, as stipulated in the guidelines from central government.

Photo 6-1: Wuli Hupan, social housing neighbourhood, including price-limited housing and affordable housing. 1st phase completed construction around 2009, price-limited housing completed around 2011 (taken by author).



6.2.4 Public rental housing in Yinchuan

Section 6.2.3 examined price-limited housing that was aimed at solving the housing issues of the ‘high sandwich group’. This section will introduce public rental housing, another type of rental social housing, which is designed to ease housing problems for a wider range of residents, especially those in the ‘low sandwich group’.

Background of public rental housing implementation

As above mentioned, three types of social housing cover residents with different incomes, but these only focus on urban resident who have local Hukou. However, with the rapid urbanisation of Yinchuan, increasing rural migrants have come to the urban areas of Yinchuan, most of them from rural areas of Ningxia and other provinces of western China, such as Gansu. According to local statistical data, the number of migrant population reached 159,000 in Yinchuan by 2007, and the numbers continue to increase. Meanwhile, some of these rural migrants have little educational background, and are doing very low salary jobs. Although these people were low-income, they are ineligible

to apply social housing because of they do not have Yinchuan Hukou. Thus, they only can solve housing problems through the market.

In addition, there is another migrant group that includes new graduates, entrepreneurs, and 'talented professionals' (known as Rencai). These people do not have a local Hukou and their income is instable. According to local government officers, compared with the rural migrants mentioned above, this group of people are referred to as a 'transitional group'. Although they cannot afford commercial housing, these people are in a transitional period, and their life quality could be improved within a short time.

'These people are different from low-rent housing household, they are educated, or have skills, their income or other situations could be improved in a short time. Hence, they only need a place for temporary living'

(Officer, Department of Urbanisation and Planning of Ningxia)

Furthermore, with growth in the number of 'low sandwich group' people, three main problems appeared:

Firstly, there was a rapid rent rise in market rental housing due to the increasing demand on rental housing. Some rental housing with good conditions or location became difficult for these people to afford. Especially for migrant workers, rent accounts for a great part of their monthly income, and they must reduce their living costs to pay rent by decreasing their living standards.

Secondly, housing rent is related to many factors, such as location. With the increasing rent, many 'low sandwich people' must choose cheaper rental housing. The location of some cheap rental housing is far from the city center or their working places, so they not only have to spend more time in traffic but also have to spend more on travel costs. Although some rental housing is located near work places, the quality and conditions of this housing is very poor, such as shanty areas.

Thirdly, overcrowding and poor living conditions. In some cases, two or three families have to share a two-bedroom unit in order to save living costs, so they have to share a toilet, bathroom, and kitchen. Increasingly, migrants choose to live in suburb areas

because of low rent, especially peasant-workers. Meanwhile, increasing numbers of migrants gather in these suburban areas, causing some problems to appear: firstly, some private construction housing does not have support facilities, such as a refuse processing plant, meaning that the surrounding environment gets damaged. This situation also existed in other cities before public rental housing was implemented (see Chapter 3); secondly, most of these private house have not been systematic managed, to understand and grasp migrant people become a difficult problem that results in many security issues.

Thus, the Yinchuan government introduced public rental housing to ease the housing issues of the 'low sandwich group' in order to address the above problems.

The implementation policy of public rental housing

Yinchuan has implemented public rental housing since 2010, which was aimed at solving the housing problems of the 'low sandwich group'. However, before public rental housing implementation, the Yinchuan government had already noticed the housing problems experienced by 'low sandwich group' people, especially the migrants, from around 2007. Thus, in order to ease this situation, it redeveloped 96 units of old work-unit housing as low-rent housing for migrants and new entrepreneurs. Simultaneously, Shenzhen, Xiamen, and Changzhou implemented a small-scale public rental housing programme in 2007 (People.cn, 2010).

According to *the Implementation Suggestion of Boost Development of Public Rental Housing of Ningxia (Ningzhengfa [2010] No.167)* (hereinafter as Ning Policy No. 167), increasing 'low sandwich households' could not afford commercial housing on the market because the price of commercial housing had grown rapidly and there was a shortage of small-sized rental housing. In addition, rapid urbanisation had caused increasing significant housing problems for migrants. Thus, the accelerated development of public rental housing was an important measure to solve the housing problems of this 'low sandwich group'.

According to the definition of public rental housing from the latest version of *the Regulation of Public Rental Housing Management of Yinchuan* (2012) (hereinafter, the Regulation of Public Rental Housing): public rental housing is a limited leasing social housing that is invested in and built by government, or built by local employers with policy support from local government, defining building area, dwelling unit size and rent

standards for people who have housing issues, including needy families, migrant workers, and ‘talented professionals’. The principles of public rental housing are ‘led by the government, supplied by multiple sectors, provided at market price, and subsidised by multiple means’ (Chang & Chen, 2013). In other words, public rental housing is a type of social housing which is supported by government policy restricting dwelling unit size, floor space, rent, and supply object, renting to eligible families.

According to a government document from Yinchuan, local government used to use a ‘3+2’ social housing system that aimed to develop affordable housing, low-rent housing, and public rental housing as the main parts of the social housing system, and to supplement these with price-limited housing and re-settlement housing. The increasingly significant housing issues of the ‘low sandwich group’ and the rapid growth of the migrant community resulted in greater demand of housing, which caused rapid growth in the number of applications for public rental housing from the point it was implemented.

The Yinchuan government has developed multiple migrant workers dwelling units since 2010 in order to solve the housing issues of migrant workers. For example, the Migrants’ Public Rental Housing Community (PRH for migrants) was the first public rental housing community that was built by the government in 2012 for migrants in Yinchuan. This community included 700 units public rental housing. PRH for migrants can be applied for by local residents and migrants who do not have a Yinchuan Hukou.

With the increasing demand for public rental housing, the Yinchuan government has planned large-scale construction of public rental housing since 2012. In order to standardise the sources of public rental housing, the Regulation of Public Rental Housing describes five approaches for sourcing public rental housing:

- local government invests in new constructions, purchasing completed construction of ordinary housing, and conversions¹³

¹³ In this research, conversion refers to when the government changes the purpose of building to use it as social housing. For example, old commercial housing, uncompleted or abandoned buildings, etc.

- supplement construction in commercial housing community, affordable housing community, and redevelopment projects in urban villages, old cities, and shantytowns
- local institutions invest to construct dormitories on their own land
- by changing other housing units, which used to be low-rent housing, affordable housing, or other public sector housing unit, into public rental housing according to prescribed procedures
- donation or other sources

Among these sources, the new construction of public rental housing is the main approach to expanding the scale of public rental housing in Yinchuan. Thus, 308,200 m², or 5,134 units, of public rental housing have been constructed, including 3,225 units (around 193,500 m²) of government public rental housing and 1,909 units (around 111,700 m²) of employers' public rental housing, since it was introduced.

Meanwhile, according to Ning Policy No. 167, the Ningxia government plans to build 20,000 units of public rental housing, around 1.2 million m², by 2015, that would solve the housing problems of 'low sandwich people', especially those in the 'transitional group'. According to Figure 6-1, the Yinchuan government started to construct over 5,000 units of public rental housing in 2012.

As above mentioned, public rental housing restricts dwelling unit size, floor space, rent, and supplying target. Ning Policy No. 167 and the Regulation of Public Rental Housing introduced the following conditions:

Firstly, newly constructed public rental housing can be flats or dormitories. The floor space of a single unit will be controlled to less than 60 m², generally, 40 m²– 60 m², and the floor space per capita of a dormitory cannot be less than 6 m². In addition, it should be equipped with basic living facilities, such as heating.

Secondly, the rent of public rental housing must be controlled to be lower than the rent of ordinary rental housing on the market and higher than the rent of low-rent housing. In Yinchuan, the rent of public rental housing depends on the location, as the rental rate for public rental housing is different in the three districts (see Figure 6-2).

According to local housing policy, the rent of public rental housing in these three districts is different (see Map 6-1). As mentioned in the low-rent housing section, the rent of ordinary market rental housing is Jinfeng district > Xingqing district > Xixia district, and the rent of public rental housing is following this trend. According to local data (Figure 6-2), in 2014, the rent of public rental housing in Jinfeng district and Xingqing district was the same, 6 yuan/m², while the rent in Xixia district was 3.7 yuan/m². Therefore, the rent would be around 1,165.8 yuan/month if renting 60 m² of ordinary rental housing in Xingqing district, but the rent for the same floor space of public rental housing would only be 360 yuan/month in the same district. The rent of public rental housing will be adjusted every two years based on the current market rent, then announced in public.

Additionally, as above mentioned, public rental housing can be developed by local government and local employers. In this situation, it must be implemented in accordance with local public rental housing provision, regardless of who carries out the development. However, there are two differences related to the use of different developers: land using and coverage.

Firstly, public rental housing is funded by local fiscal budget and, similar with affordable housing and low-rent housing, the Yinchuan government provides free land for public rental housing construction and freedom from taxes in order to control rent.

However, for public rental housing built by local employers, who cannot obtain free land for public rental housing construction from the local government, employers must own the land used and self-fund construction, but still apply the same as rental rates as changed in government public rental housing.

Secondly, the Yinchuan government's public rental housing aims to assist all of the people in the 'low sandwich group' in society, including specific-purpose public rental housing communities, such as PRH for migrants, and the tenants will pay rent directly to the Yinchuan government. However, public rental housing of local employers is offered

to their employees first, and only if they have units left after allocation will the rest of the units be offered to society, meaning that eligible residents will pay rent to the employer who is supplying the public rental housing unit.

Furthermore, public rental housing plays multiple roles in local development as well as solving housing problems:

Firstly, public rental housing is an effective approach to keeping talented professionals.

'Yinchuan is a relatively developing lagging city, different from big cities. In order to speed up development, the Yinchuan government has to introduce high-skilled people and talented professionals into Yinchuan [...] but housing is the biggest problem of these people, some of them cannot afford commercial housing, and the government cannot afford to allocate housing to them [...] public rental housing will solve this issue'

(Officer, Department of Urbanisation and Planning of Ningxia)

Hence, public rental housing helps to keep these skilled people, who play an important role in boosting the development of Yinchuan. So the Yinchuan government introduced the 'talented professional programme', which allotted parts of public rental housing units to specific communities in order to retain skilled people and talented professionals by solving their housing problems. These communities are open to skilled migrants, talented professionals, and new graduates. This 'talented professionals programme' has also been implemented in other Chinese cities, such as Shanghai. According to Chang and Chen (2013), increasing numbers of high-skilled people have crowded into Shanghai who are young with high levels of education, although most of them are non-permanent residents of Shanghai; thus, the 'talented professionals programme' has solved their housing problem effectively.

Secondly, public rental housing provided by local employers has not only solved migrant workers' housing problems but it has also decreased the demand for market rental housing, as well as helping to ensure migrants' living conditions are maintained at a decent level.

At present, Yinchuan only provides public rental housing in kind, rather than cash subsidies.

‘Cash subsidies to public rental housing residents will be difficult to manage, especially migrants. Local residents will be easier to verify because we can check their property, etc., but migrants will be different, they are very mobile, it will be difficult to know what they use the cash subsidies for’

(Officer, Department of Social Housing of Yinchuan)

Although public rental housing was introduced later than other types of social housing, it plays a significant role in the social housing system, and it covers a wider range of residents as the first social housing implementation that included migrants.

6.3 Conclusion

This chapter described social housing policy in Yinchuan in order to draw a general picture of its social housing implementation. As described in this chapter, although Yinchuan followed the guidelines from central government to develop its social housing, it has been faced with its own specific situations.

From 1998, Yinchuan implemented affordable housing, low-rent housing, price-limited housing, and public rental housing in order to solve various housing problems for residents with different incomes. At the beginning of social housing implementation, affordable housing and low-rent housing were first introduced to solve the housing problems of middle- to low-income families. Affordable housing was considered the main method to ease the increasing demand and housing shortages caused by the end of work-unit allocations. However, the financial circumstances of the Yinchuan government caused low-rent housing, which was introduced with affordable housing, to remain under-developed until 2009.

Increasing housing issues experienced by low-income residents and urban poverty drove Yinchuan to start the large-scale construction of low-rent housing from 2009. Meanwhile, rapid economic development, increases in housing prices, and urbanisation increasingly attracted ‘sandwich group’ people, especially migrants. Relying on affordable housing

and low-rent housing could not satisfy the housing needs of the increasing number of 'sandwich group' households in Yinchuan, and, therefore, the Yinchuan government put forward price-limited housing and public rental housing to address these issues.

Social housing plays an important role to deal with core housing problems. Through social housing implementation in Yinchuan, social housing has been improved with social development, including economic, population, and urbanisation changes, although these elements resulted in different core housing problems at different stages. Meanwhile, the Yinchuan government considers the core housing problems during different periods to adjust the development focus of social housing, and to focus on the types of social housing that best match the current core housing problems. At the beginning of social housing implementation, affordable housing was considered the most important method to ease housing shortages, but when Yinchuan faced severe housing issues related to low incomes and urban poverty, the large-scale construction of low-rent housing began. Hereafter, the Yinchuan government has promoted public rental housing and price-limited housing to increasingly address the needs of the 'sandwich group'. Thus, social housing does not only focus on current core housing issues, but also will be improved with development. In line with this, the next chapter will examine the management of social housing in Yinchuan, which experienced both improvements and problems during its implementation.

Chapter 7: The Management of Social Housing in Yinchuan

7.1 Introduction

From the 1998 introduction of the social housing policy, the Yinchuan government has followed the guidelines from central government. However, the details of the policy's implementation have been adjusted depending on local situations in order to ensure appropriate social housing is provided to suit the changing circumstances in different areas. The Yinchuan government drew up an implementation plan that combined considerations of population, income, and the housing situation.

Chapter 6 outlined the implementation of four types of social housing in Yinchuan that were designed to address the various housing problems experienced by residents, ranging from middle-income to needy people, and including both locals and migrants. However, it is also important to consider how eligibility for social housing is confirmed, unit allocation and management, and how eviction processes function in practice. Therefore, this chapter will examine local policies and data in order to explore these aspects of social housing in Yinchuan.

The first section in this chapter will explore how the Certification of Housing Security (CHS) is implemented in the social housing system, as it is an essential element of social housing application. Secondly, the eligibility, allocation and management of affordable housing, low-rent housing, price-limited housing, and public rental housing will be considered, with these four sections presented using the same structure to discuss these issues with regard to each type social housing in Yinchuan. Finally, the eviction process of from social housing in Yinchuan is examined, with this part based on interviews and examples of it in practice to reveal the problems and suggest how they could be solved in the future.

7.2 The Certification of Housing Security

The CHS is the very first step of a social housing application in Yinchuan, meaning that it can be understood as the access system to social housing. Applicants must obtain a CHS before applying for any kind of social housing. According to the definition of the CHS in the *Guideline of the Certification of Housing Security of Yinchuan* (2014), it is the

legitimate document needed to prove that an applicant meets the eligibility criteria for an application for social housing. CHS have been issued and used as the assessment method to determine the qualification of applicants since 2009.

CHS can be applied for by a family or an individual person. If the application is for a family, one member is appointed as the main applicant and the other members of the family are considered as co-applicants and cannot apply separately. If an applicant is single they will be assessed as an individual applicant. However, an applicant has to meet four basic conditions to make a successful CHS application:

- *Applicant must achieved legal marriageable age:* for those who are ethnic Han this is 22 years old for men and 20 years old for women, and for ethnic minorities this is 20 for men and 18 for females.
- *Applicant and other family members do not own any property.*
- *Financial condition:* the average disposable income per capita of the applicant must be less than the income threshold that is published by the local government.
- *Average floor space per capita of the applicant is less than 15 m².*

The financial condition is adjusted depending on the type of social housing which has been applied for, as will be explained in later sections. The other three conditions are applied to every type of social housing application. Thus, these will not be listed during the following discussion of other types of social housing application.

In addition, some documents must be supplied by applicants applying for CHS as evidence:

- *Housing security registered approval form for middle- to low-income housing difficulty families from the sub-district office¹⁴;*

¹⁴ Sub-district office: an administrative office of municipal government by local government.

- *Proof of family income*, which needs to be provided by employers;
- *Evidence of housing situation*, applicants are asked to submit evidence about their housing situation, such as whether they are homeless, renting housing in the market, or if their average floor space per capita is less than 15 m²;
- Other documents, including Hukou/residence permit, marriage certification, certification of very low-income, proof of disability, proof of unemployment or other documents regarding any specific situations.

When all of documents have been prepared, applicants need to submit them to the citizen service centre of their Hukou/residence permit locus.

In order to ensure the verity of supplied documents and to ensure fairness, the local government adopts *public oversight*. Public oversight can be understood as one of oversight approaches that depends on the public to report information. Public oversight is widely adopted in many aspects of Chinese life, and it is a very important part of the social housing system. According to a local government officer interviewee, applicants' financial condition is difficult to access accurately. For example, it is easy to miss income that is not mentioned in the application documents, such as people who have an unstable income or have another source of funds that they have not reported. Thus, as was argued by one of the government officers, public oversight is an effective approach to discover if facts have been inaccurately provided, or completely omitted, by an applicant.

'I think public oversight is an effective approach in the verification of the social housing system, [...] to assess the truthful total income of some of the applicants is difficult [...] we're working on to obtain more cooperation with different departments, so far we can check for the ownership of property, vehicles and social insurance by applicants from systems, but we are not allowed to check their bank accounts or other investment accounts, such as stock investment... hence we have to seek help from the public, and we believe public oversight ensures maximum truthfulness and fairness, as much as possible'

(Officer, Department of Social Housing of Yinchuan)

In addition, the Yinchuan government uses public oversight to assist in the verification of applicants in terms of their eligibility for social housing. It believes applying public oversight not only helps to identify empty units and undeclared transactions, but also improves the social housing system. At present, public oversight is employed at every verification stage of CHS and social housing. A list of pre-eligible applicants will be available in public for a certain period of time, which allows people to report any evidence to the relevant authorities about pre-eligible applicants on the list, such as if they are hiding parts of their income, and the relevant authorities will conduct further investigation. If these reports are verified, pre-eligible applicants will not be allowed to apply for CHS for the next five years.

In order to promote the effectiveness of public oversight, the Yinchuan government employs multiple methods to receive public reports. For example, the housing department of the Yinchuan government has a Weibo account (similar to Twitter) and people can send any acts of non-compliance to them using this platform. Additionally, public oversight is applied in the management process and eviction process of social housing. Once non-compliance has been verified, the government adopts measures to deal with these challenges, such as cancelling applications or withdrawing social housing units, and staff will feedback the result to the whistle-blower. According to one of government officer interviewee, many social housing units have been withdrawal from non-compliant householders through public oversight.

However, some local government officers had concerns about applying public oversight. On the one hand, they believed that public oversight was a helpful approach to improve the process for accessing social housing; for example, public oversight may help to reveal concealed information that was not known by the relative authorities. However, on the other hand, there was some concern that public oversight was only being applied because there is no alternative approach, as the relative authorities have no other way of identifying concealed income. Thus, the use of public oversight may imply the lack of an effective approach for verifying applications for social housing.

‘Public oversight is definitely an effective way to improve the social housing system, and we have discovered many ineligible applicants from public oversight [...] but this should not be the way we rely on, because there isn’t another way that we can rely on’

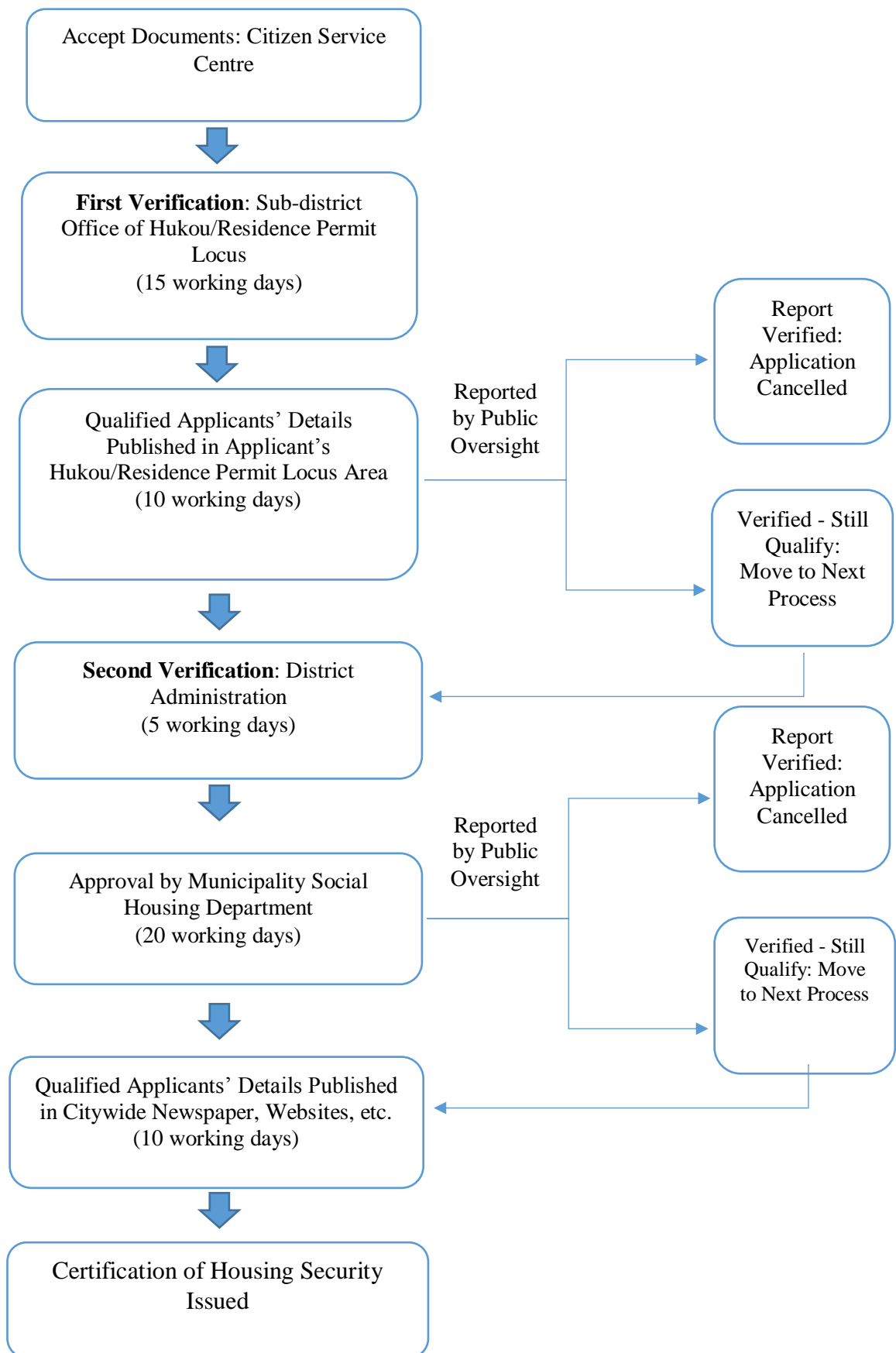
(Office, Department of Social Housing of Yinchuan).

‘We only put a list out that shows who is eligible for social housing application, but we won’t put details, such as income, thus, the public will not know if they really are eligible or not [...] public oversight helped us to find some ineligible applicants, but it isn’t a way to find all of the ineligible applicants. We need to, and have to build a system that can help us, improve the social housing system’

(Officer, Department of Social Housing of Xixia District)

At present, public oversight is applied at every stage to verify social housing applications. At the CHS application stage, the first verification is conducted in the sub-district of Hukou/residence permit locus. It will take around 15 working days to verify the documents and then the first verified pre-applicant list will be published in the local area for 10 days for public oversight. Next, all of the documents of the pre-qualified applicant will be re-verified by the district administration and approved by the municipality social housing department. Qualified applicants’ names will be published in newspapers and on the government website for 10 days. After all of these procedures, the final qualified applicant will be issued a CHS. The procedures for a CHS application are shown below:

Diagram 7-1: The Procedures for a CHS Application (made by author).



After obtaining the CHS, local government uses the circumstances of each CHS holder to divide them into waiting lists for different type of social housing. For instance, if a CHS holder is eligible for low-rent housing, they will be allocated to the low-rent housing waiting list, or supplied with demand-side subsidies directly. This group of CHS holders can choose to rent public rental housing, or buy affordable housing or price-limited housing. If the CHS holder is deemed to be able to afford affordable housing, they will be placed on the affordable housing waiting list, and while these CHS holders can choose to buy affordable housing or price-limited housing, they are not allowed to rent low-rent housing. No matter what group a CHS holder is, they are only allowed to choose one type of social housing. However, migrant applicants are only eligible to apply for public rental housing, so will only be added to that waiting list.

In addition, a CHS is not permanent, as it expires every five years and must be reapplied for. As the most important evidence for a social housing application, the Yinchuan government implements dynamic management of CHS. It employs regular verification every year in order to maintain fairness and effectiveness. The CHS will be revoked once a holder is found to be no longer eligible.

‘Application for CHS, I think it was strict, especially for income verification, they won’t give you the CHS even if your income is over the threshold by only ten yuan’

(Resident of affordable housing, female, 31-35)

‘My CHS was going to expire in one year when I bought my unit, otherwise I would have to apply for a new one, which would require waiting for at least one year’

(Resident of affordable housing, male, 26-30)

Additionally, if any false documents or concealed income are found by any stage of the verification process, regardless whether it is an applicant or holder of a CHS, this individual will not be accepted to apply for another CHS for two years.

The CHS plays a significant role in Yinchuan social housing system as the first stage of a social housing application, and as the means of initial application filtration. The CHS has improved the social housing system by simplifying the application procedure, as it means that the Yinchuan government only needs to populate the CHS system database and then allocate the different types of social housing to the various CHS holders. Local government does not need to create a separate application system for different social housing applicants. CHS holders can be moved from one waiting list to another if their situations change, such as their income increases. For example, if a CHS holder who was on the low-rent housing waiting list later earns enough income to meet the threshold for affordable housing they will be moved to the waiting list for affordable housing. Hence, the CHS not only simplifies the application system, but also permits applications to be adjusted. However, there are some challenges that appear when CHS is implemented in practice that influences the impartiality and purpose of social housing.

Firstly, there is a difficulty discovering applicants' concealed information. For example, in the process of accessing social housing, income is not only the most important but also the most difficult factor to examine. This is also the most difficult step when it comes to evicting people from social housing. Income not only includes salaries, but also investments and other sources of income. However, applicants usually only provide proof of salary rather than total family income.

'The greatest challenge of accessing social housing is to verify income, it is difficult to get a clear total income [...] we might get the salary of an applicant from their employers, but how about concealed investment or other income? This is the most difficult part'

(Officer, Department of Social Housing of Yinchuan)

'We can check the property situation of applicants, but only in Ningxia. If they have property in Beijing or in other cities, or have property in the countryside, we couldn't find out'

(Officer, Department of Social Housing of Yinchuan)

Secondly, there is no clear identification of sanction for applicants who supply false documents. The most significant threshold used to measure access to social housing is income, where applicants need to apply for the relevant documents from their employers or sub-district, and local government only have these documents to prove if an applicant is eligible. However, if false documents are supplied this can be difficult to identify. In the process of applications, some potential issues exist. For example, the authorities may find false income documents are supplied by some small companies, or people supply false documents to applicants who they have a personal relationship with.

‘Sometimes we know the document is probably false, but we cannot prove it. For example, if the income proof of the applicant shows that their monthly salary is 1,500 yuan, but we know the salary for that position should be much higher. However, we probably cannot prove it because the employer supplies it’

(Officer, Department of Social Housing of Xixia District)

‘It can be difficult to identify those documents. For example, applicants need a sub-district of Hukou/residence permit locus to prove their circumstances. If the applicant is freelance and has a higher income, but they say they don’t have any income because they are unemployed, they would get the employment proof from the sub-district to evidence of unemployment’

(Officer, Department of Social Housing of Yinchuan)

‘Income is one of the most important conditions that is applied to identify applicants [...] if we find false income proof, who will take responsible for it? If we hold employers accountable, they might say the applicant asked them to do this, but they shouldn't do this[...] thus, for now, all we can do is disqualify the applicant, and make them non-eligible to apply for social housing for up to 5 years, but nothing for whoever supplied the false document’

(Officer, Department of Social Housing of Yinchuan)

Thirdly, as mentioned in the example above mentioned, anyone who supplies false documents is not held accountable or sanctioned for this, although the applicant, once discovered, will have their application withdrawn, a record will be made, and they will be banned from applying for up to five years. Thus, as claimed by an interviewee, raising the cost of violating the rules for access to housing provision would help to reduce the occurrence of similar circumstances.

'I think raising the cost of violating provision high enough that it will make people think if it is worth doing. For example, regardless both employers and people could be limited for loans, investments, and gain a bad reputation after it has been found out they supplied false documents'

(Officer, Department of Social Housing of Yinchuan)

This statement indicates the fourth problem concerning the access and eviction processes for social housing, which is a lack of connection and cooperation between different departments. Although some departments or authorities provide access to data for social housing departments, such as vehicle administration, it is not enough to fully check all of an applicant's documents. In practice, false documents could be missed or applications may not be precisely verified because the different departments do not have a complete system of cooperation. The department of social housing only has the right to check if applicants own property, but they have no right to check financial circumstances, such as bank details. Meanwhile, banks will not cooperate because they have to protect customers' details.

'There is no provision or law to organise a system which can connect various departments in order to check the details of every applicant, such as financial circumstances, housing situations. From this year, we are getting cooperation from vehicle administration that will let us know the vehicle situation of applicants, but for other circumstances, it is not easy to find out'

(Officer, Department of Social Housing of Yinchuan)

'How to raise the cost of violating provision? That will involve various aspects. If it only relies on the housing department that will be not enough, all we can do is about housing, like forbidding them from buying housing? But they could still buy housing under someone else's name [...] thus, getting cooperation, and building a credit system for every applicant and anyone who would be involved in the application would be better, such as employers, so that if they supplied false documents, they would have bad credit'

(Officer, Department of Social Housing of Yinchuan)

Overall, as the first threshold of a social housing application, the CHS has met many problems, but it has also improved the social housing system and adjustability of social housing allocation.

7.3 Affordable Housing

As introduced in Chapter 6, affordable housing aims to house middle- to low-income households who are meeting housing difficulties. This section will explore the eligibility, allocation and management of affordable housing applications.

7.3.1 Eligibility of affordable housing in Yinchuan

In Yinchuan, according to No. 112 and the *Guideline of the Certification of Housing Security of Yinchuan (2014)*, eligible applicants for affordable housing have to satisfy the following conditions:

- Applicants must have held a local Hukou for at least one year.
- The threshold of financial circumstances for applicants is middle- to low-income. Families' average monthly disposable income per capita must be less than 1.3 times of the previous year's disposable income, as is published by the local government. Local government increases the income threshold every year and continually promotes affordable housing. According to data from 2014, this income threshold covers around 65% of local urban residents.

- Households need to be re-settled because of re-development programmes.

In addition, divorced applicants have to satisfy three conditions:

- Applicants must not own any property;
- Previous family units must have had only one house before the divorce;
- Applicants must have been divorced for over three years.

Furthermore, according to No. 112, applicants are not allowed to apply for affordable housing if their average floor space per capita is over 15 m² and they meet one of the following conditions:

- Purchased housing reform housing;¹⁵
- Purchased affordable housing, state-owned housing, or an Anju programme unit;
- Purchased commercial housing;
- Occupy low-rent housing or public rental housing;
- Purchased housing or occupying social housing in other cities;
- Be living in rewarded housing, or housing presented by employers.

Therefore, CHS holders have to meet these conditions for affordable housing applications. However, these conditions have been adjusted over time; for example, the income threshold has been changed to extend coverage over more households.

¹⁵ Housing reform housing refers to purchased work-unit housing. It was an approach of marketisation that was introduced in 1994, where employees purchased work-unit housing units to gain ownership at a low price, generally costing only as much as the construction expense.

7.3.2 Allocation and management

As with ownership social housing, affordable housing is only provided in kind. Local government builds affordable housing, then sells it at a relatively low price to applicants in order to improve their housing conditions. Eligible applicants for affordable housing will be classified according to their situations and put into waiting lists after getting their CHS, and then the progress of affordable housing allocation continues, as is explained below.

Firstly, the government announces to-be-constructed social housing projects in public, such as the quantity of affordable housing units, their location, and construction completion time. Secondly, applicants, depending on their situations, decide whether to apply to the affordable housing project, for example, considering if a location is near enough to their work place. Applicants need to register and submit an application form, then applicants will be ordered onto a waiting list. If more than one project is introduced at the same time, applicants need to choose which projects they want to apply to and then they will be allocated on the appropriate waiting list. Thirdly, after the construction is completed, the Yinchuan government will organise a meeting to allocate affordable housing. Every applicant must attend, and applicants who do not attend will be deemed to have abandoned their purchase automatically.

The main method of allocation is ‘lottery’. This allocation method applies to most types of social housing allocation. Every eligible applicant will be given a number and if the number is picked, this applicant is allocated a unit of affordable housing. Applicants cannot choose the floor, orientation, or floor space of their allocated unit, but they can choose to abandon their purchase of affordable housing if they are not satisfied with the result of this lottery, and then they have to wait another 18 months before making their next application, while the abandoned unit will be put into another lottery to be allocated to another applicant. Simultaneously, unallocated applicants will be moved to another waiting list automatically, where they will wait for another lottery. However, at present, if an applicant is not satisfied with the unit they are allocated, they can apply to exchange with other allocated applicant. Applicants need to register their expected floor space or floor for an exchange, and the relevant department will identify suitable units and arrange the process. This is only available within the same lottery and same project, as exchanges are not allowed to span different projects.

The probability of being given an allocation depends on the number of applications, which will be influenced by various circumstances, as mentioned in Chapter 4. In many cities of China, the rights of an applicant to purchase a social housing unit is based on a combination of factors, such as location (Wong, et al., 2007). In Yinchuan, there are three major factors that influence ownership social housing purchasing.

Firstly, the property needs to be accessible. The location of social housing is one of the most significant circumstances that applicants consider. At the beginning of social housing community construction, access to these communities was one of the major circumstances that was considered. As mentioned earlier, locations can be improved by urbanisation and development, and some social housing communities have become popular because of their increasingly improving facilities and easy access. According to the local government data records, for example, one of the social housing communities that is located in a relatively accessible area was brought into service in 2012 and included 426 units of affordable housing, for which the government received 650 applications. This meant that 124 applicants were automatically put onto another waiting list.

‘When the government asked me to pick which social housing community I wanted to apply to, I picked Yinbei, because at that moment the rate of allocation was 5:1 in Manchun, while in Yinbei it was 2:1. I prefer Manchun because my work place and my parents are all there, but in order to get a unit as quickly as possible, I had to pick Yinbei for a greater chance.’

(Resident of affordable housing, female, 26-30)

However, not every social community reflects this situation. Some social housing communities are located in inconvenient locations and there is no waiting list to purchase them. According to another interviewee:

‘My friend has waited on the waiting list for Wuli Hupan for a very long time [...] so she decided to purchase affordable housing in Shangmei Yaju because many units were empty when she applied. She got a unit very quickly, didn’t even need to wait, just applied and purchased it’

(Resident of affordable housing, female, 26-30)

The second challenge that influences the purchase of social housing depends on where a resident prefers to live: close to work or close to home. Some residents consider accessibility for work to be the priority, but other applicants apply for social housing near their home neighbourhoods, parents, siblings, friends, or other family members. For example, an applicant who is living in Xixia district and working in Jinfeng district may still prefer to choose social housing in Xixia rather than in Jinfeng.

'I've lived in Xixia district since I was born, my family and most of my friends are living in this area as well. I'd like to live here more than other places, that's why I applied for social housing here and some of my friends did the same as well'

(Resident of affordable housing, male, 26-30)

Thirdly, housing stock. When affordable housing first came into service, demand was greater than supply. Some of applicants were entered into more than one lottery for affordable housing allocation. However, waiting times have greatly shorten with increased construction and more types of social housing being made available.

'At beginning of implementing affordable housing, construction was not enough to satisfy demand, hence many applicants had to participate in more than one allocation lottery [...] no need to wait currently, only need to apply, then you will be allocated a unit very quickly'

(Officer, Department of Social Housing of Jinfeng District)

'I went three times to allocation lottery events, and got a unit during the third time'

(Abandoned purchase of affordable housing resident, female, 26-30)

Consequently, the length of waiting time is various and it is based on diverse circumstances. In addition, some applicants may choose less popular communities in order to increase the probability of being assigned an allocation.

The next step is that the eligible applicants are put on the potential owner list. The potential owner list is published in public for one month for public oversight, and potential owners will enter into the purchasing procedure as long as their application is not reported to be fraudulent.

7.4 Low-rent Housing

Low-rent housing was introduced with affordable housing in 1998 with the intention of solving housing issues for low-income households. Chapter 6 introduced the implementation of low-rent housing policy in Yinchuan, while this section will explore the eligibility, allocation and management of this housing.

7.4.1 Eligibility for low-rent housing in Yinchuan

According to No.141, eligible applicants must satisfy the conditions outlined below:

- Applicant has held a local Hukou for over 2 years.
- The income level of the applicant is low-income to lowest-income – that is, family average monthly disposable income per capita must be less than 60% of average disposable income.
- Unmarried applicants living with their parents need to achieve the legal age of marriage and the floor space of their current housing unit must be less than 45 m².
- Divorced applicants, where the male is older than 30 and the female older than 28, can apply for demand-side subsidy independently.

In some cities in China, the requirement of floor space per capita for applicants is different, with local government considering local situations to establish application conditions. For example, the Ningdu government requires floor space per capita which is less than 8 m² (Yang & Lu, 2011), and Changzhou provides low-rent housing to applicants whose families' average floor space per capita is less than 18 m² (Policy Research of Building Social Housing System of China, 2011). In addition, the income threshold for access to low-rent housing is adjusted depending on the local economic

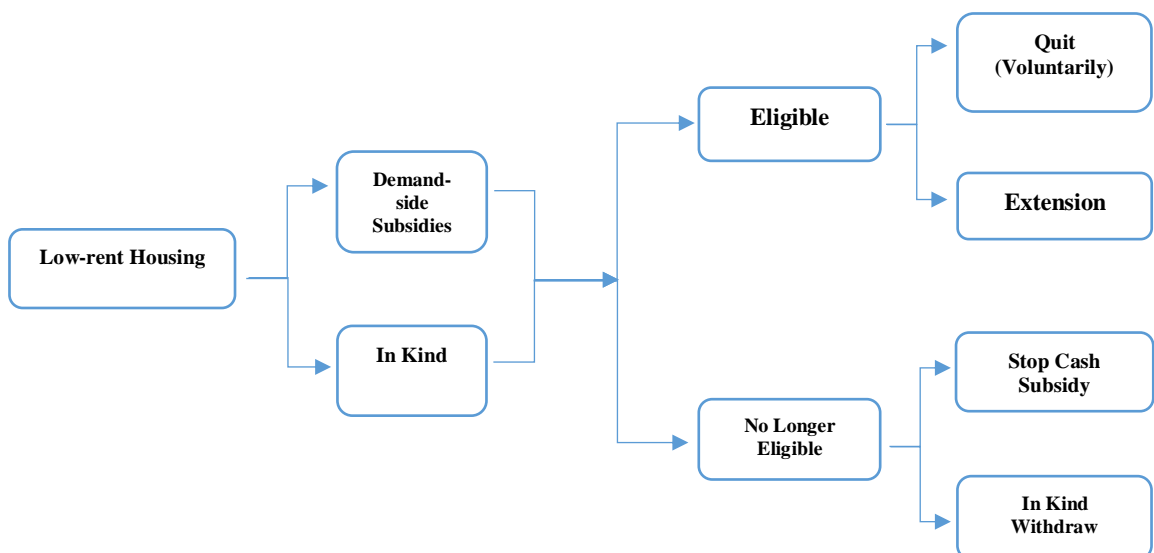
situation. According to *Policy Research of Building Social Housing System of China* (2011), in Changzhou, applicants can apply for low-rent housing when their family's current year income is less than 40% of the previous year's average disposable income, and the plan is to increase this to 50% in the next few years.

At the beginning of low-rent housing implementation, applicants had to provide proof that they were living in the minimum floor space in urban areas. With the development of the social housing system, this requirement has been removed. In addition, one of aims of low-rent housing has changed from 'solving the housing problems of the lowest-income families' to 'solving the housing problems of low-income families', which means the coverage of low-rent housing has been extended.

7.4.2 Allocation and management

Compared with affordable housing, Yinchuan low-rent housing has two approaches for solving the housing problems of low-income and poor people: demand-side subsidy and in kind (see Diagram 7-2).

Diagram 7-2: Allocation and Management Procedure of Low-rent Housing (made by author).



At present, demand-side subsidy is the major method used in Yinchuan. However, regardless of what methods of low-rent housing are applied, the applicant must meet the following income threshold:

- Family average monthly disposable income per capita is less than 60% of average disposable income.

In addition, eligible applicants in any of the situations outlined below will be allocated low-rent housing as a priority:

- Families of servicemen or disabled people whose level of disability exceeds a stated level;
- Families where one member has a serious disease, is totally incapacitated, or mostly so;
- Currently living in dangerous housing;
- Other special situations.

Meanwhile, eligible applicants in the situations outlined below can receive increased cash subsidies or free-of-charge rent:

- The lowest-income families in urban areas;
- Disabled people;
- Individuals with long-term serious disease that will lead to total or severe incapacity;
- Dependent is dead or in prison;
- Family has encountered a seriously damaging accident.

According to the *Notification of Boost Construction and Management of Low-rent Housing of Yinchuan (Ningjian (Zhufang) Zi [2008] No. 34)* (hereinafter No. 34), in order to organise the allocation sequence, the Yinchuan government published the *Score Sheet of Supplying Low-rent Housing in Kind* (see Appendix 2), which uses seven conditions to score each applicant and lists their poverty levels from most difficult to least difficult

on the waiting list. Then, following the sequence of the waiting list, these people will be divided into four levels:

- Level 1. Applicant is a family without housing on the lowest-income, such as Dibao;
- Level 2. Applicant with the lowest-income meets housing difficulties, where floor space per capita is less than the standard amount of floor space (15 m²);
- Level 3. Applicant is a family without housing with a low-income (less than 60% of average disposable income);
- Level 4. Applicant with low-income (less than 60% of average disposable income) has housing difficulties where floor space per capita is less than standard floor space (15 m²).

Allocations are made following this order, from the first level to the fourth. Simultaneously, within the same level, the applicants with the most difficult circumstances, such as the severely disabled, elderly people living alone, and single-parent families, will be allocated in-kind low-rent housing as a priority. In addition, homeless applicants will be ordered according to their income (low to high), applicants will be sequenced by the amount of floor space they have, and, if floor space is same, applicants will then be ordered by family size. By combining the length of waiting time with these four levels of priority, the local government orders the final waiting list and publishes it to public. Then the listed eligible applicants will be allocated low-rent housing unit by lottery. The lottery procedure used is the same as for affordable housing, and the selected potential tenants are listed for public oversight for 30 days.

At the same time, the Yinchuan government applies dynamic management to manage low-rent housing, with the appropriate authority approving the situation regarding each unselected applicant and confirming the final waiting list every year. Additionally, they cancel the applications where the tenants no longer satisfy the conditions for social housing. The No. 141 and the *Notification of Issue the Regulation of Low-rent Housing Management of In Kind (Ningjian (Bao) Fa [2010] No.6)* (hereinafter as No.6) outlines eight situations that will result in a resident being evicted from their low-rent housing:

- Family income has exceeded the income threshold;
- The applicant has other housing;
- Any family member is no longer a local resident, in other words, they no longer have a local Hukou;
- The tenant has not occupied the allocated low-rent housing unit over six months;
- The tenant rents out their low-rent housing unit to others, or otherwise changes the purpose of a low-rent housing unit;
- Tenant has rent outstanding for over 6 months;
- It is discovered that the tenant has concealed information or supplied false documents during their application for low-rent housing;
- Other circumstances have appeared that do not satisfy the conditions of a low-rent housing application.

When completed, low-rent housing is equipped with basic decoration and facilities, such as heating and a sink. Yinchuan housing security bureau will pay repair fees for tenants if any basic decoration problems appear during the first year, however the tenant must pay for any issues in the subsequent years. Nonetheless, tenants will be expelled if they redecorate or change the internal structure of low-rent housing.

The Yinchuan government verifies tenants' situations every season and, if anyone is no longer eligible, the government will serve a notice on the tenant telling them to leave their low-rent housing within three months. If a tenant refuses to leave, the rent will be charged at the same rate as market rent. Indeed, tenants need to submit an extension application at least two months before the expiry of their contract if they need to continue renting low-rent housing. Meanwhile, tenants can apply to leave themselves if their situation improves, and these tenants can choose to rent public rental housing, or purchase affordable or price-limited housing.

7.5 Price-limited Housing

Price-limited housing was introduced for ‘high sandwich households’ on a middle-income who could not afford commercial housing but did not meet conditions to make an affordable housing application.

7.5.1 Eligibility for price-limited housing in Yinchuan

Price-limited housing is another type of ownership social housing. In order to achieve eligibility for price-limited housing, applicants have to satisfy the conditions below:

- Having local registered Hukou for over one year;
- Family average monthly disposable income per capita is less than 1.5 times the average disposable income. According to local data, the income threshold of 2014 covered almost 75% of the total number of Yinchuan urban residents;
- Applicants and their family members do not own any property or occupy any other type of social housing.

7.5.2 Allocation and management

Price-limited housing was implemented later than affordable housing and low-rent housing, and the application process has gone through some changes. According to the Price-limited Housing Regulations, at the beginning of price-limited housing implementation, applicants had to apply for a *Purchase Permit Certification of Price-limited Housing* (hereinafter, Purchase Permit), which was different from the application for affordable housing or low-rent housing. The Purchase Permit was an important document that played a similar role to the CHS, and it also involved the ordering of the applicants on a waiting list. The serial numbers on Purchase Permits were ordered at the time of application, and the appropriate department would follow this order to arrange price-limited housing allocation. However, as the period of validity for Purchase Permits was only two years, applicant had to apply for a new one when it expired.

Furthermore, the Price-limited Housing Regulation required that a Purchase Permit would be repealed if the government detected any false documents from the applicant, and then

applicants were banned from applying for another one or CHS for the next 18 months. In addition, if the government detected false information in an application after price-limited housing had been allocated to an individual, the government could evict the household, withdraw the price-limited unit, and return the funds. If the unit could not be withdrawn, the government would ask the household to pay 1.2 times of the difference between commercial housing and price-limited housing, making the entire price of price-limited unit close to price of commercial housing unit as much as possible.

In addition, during this period, the applicants to price-limited housing did not need to apply for a CHS before purchasing price-limited housing. However, any applicant that had a CHS was allowed to apply for price-limited housing. Thus, with the improvement of the social housing system, the Purchase Permit was stopped shortly after it was implemented and the CHS replaced it.

' Price-limited housing is a part of social housing system, and putting it into the social housing system improved connections in the social housing system [...] the gap in coverage within social housing between affordable housing and commercial housing was better covered by price-limited housing '

(Officer, Department of Real Estate of Yinchuan)

Before the Purchase Permit was stopped, applicants needed to apply for a CHS or Purchase Permit, and the government needed to build two different systems to manage these documents. However, after price-limited housing was put into the CHS system, applicants only needed to apply for a CHS, and dynamic management, based on applicants' individual situations, and was used to allocate different types of social housing and to adjust waiting lists for the different types of social housing as applicants' situations changed. Moreover, price-limited housing employs an allocation procedure that is the same as used to allocate affordable housing.

7.6 Public Rental Housing

It has been said in regards to public rental housing in Shanghai that its major purpose is 'to relieve the housing pressure for young employees, talented professionals and other migrant workers' (Chang & Chen, 2013, p. 59). From this explanation, public rental

housing can be considered a kind of social housing that aims to ‘relieve housing pressure’, which is different from the purpose of ownership social housing, which is to ‘solve housing problems’. In other words, ownership of social housing can be used to solve housing problems permanently, while rental social housing can only solve housing problems temporarily, or relieve housing pressure for a short period.

Additionally, public rental housing is the only type of social housing in Yinchuan that covers migrants. This section will discuss the eligibility, allocation and management of public rental housing in Yinchuan.

7.6.1 Eligibility for public rental housing in Yinchuan

Public rental housing is aimed at the low ‘sandwich group’, especially migrants, who are currently not living in other social housing, and it aims to improve their housing standard. Focusing on various applicants, the Regulation of Public Rental Housing have outlined that public rental housing aims at covering three groups in Yinchuan.

The first group is made up of applicants with a local Hukou:

- Applicants have housing difficulties and have had a Yinchuan urban Hukou for at least two years;
- Family average monthly disposable income per capita is less than 1.3 times of the average disposable income. Public rental housing shares the same income threshold as affordable housing. Data from 2014 indicates that this income threshold for public rental housing covers around 65% of residents. In some cities of China, such as Chongqing, the coverage of public rental housing reached 70% of residents by 2010.

In addition,

- If the applicant is divorced, that should have happened over two years ago;
- If the applicant is single, they must not 1) own property, and 2) the floor space of their current unit must be less than 60 m² if the applicant is living with their parents.

However, from 2014, the standard Hukou holding time was reduced from two years to one year, meaning the range of individuals eligible for public rental housing has been extended.

Secondly, if the applicant is an individual of over 18 years old (no matter whether they are Han or a minority), migrants, skilled people, or talent professionals can apply if:

- The applicant does not own any property in Yinchuan;
- Migrants, skilled people, and talent professionals must have paid social insurance continuously for at least two years, or accumulating social insurance over three years. A new college graduate applicant can only apply for public rental housing two years after they graduate;
- The applicant has contracts with local employers, and is legally registered for work.

Some cities, such as Chongqing, have a greater quantity of migrants, and they are one of the important vulnerable groups that are supposed to gain from public rental housing. However, according to Ding (2011), public rental housing in some cities is only aimed at local residents, excluding migrants, such as Wuhan. The Shanghai government offers public rental housing to both locals and migrants who have a permanent and stable job in Shanghai, in order to ease short-term housing problem without an income threshold (Li, 2011).

Additionally, compared with other types of social housing, public rental housing is the only type of social housing that does not require a local Hukou, which allows it to cover migrants in Yinchuan.

Thirdly, there is no income threshold if an applicant satisfies any one of these conditions:

- 1) The application is introduced talent in Yinchuan and has been rewarded above provincial and ministerial level model workers, heroes and certain class award and above;

2) The applicant or a member of their family is disabled or a veteran and is experiencing housing difficulties.

However, applicants with any of the following conditions are not allowed to apply for public rental housing:

- Those who have conducted any property transaction in the last five years;
- Those occupying any other types of social housing and not leaving.

In addition, if any of the eligible applicants are over 65 years old, are disabled, or are suffering from serious diseases they will be assigned a higher public rental housing priority level.

Simultaneously, applicants in any of the situations below will be treated as if they have abandoned their application:

- Applicant does not participate in the public rental housing allocation at the specified time and place;
- Applicant refuses to rent allocated public rental housing;
- Applicant does not sign a lease contract during the specified time;
- Applicant abandons to rent public rental housing after signing a lease contract;
- Other situations.

Meanwhile, applicants can apply to be added or moved to public rental housing waiting list if they are already on the waiting list for low-rent housing, affordable housing, or price-limited housing.

7.6.2 Allocation and management

Public rental housing was the last type of social housing to be implemented in Yinchuan. As above mentioned, public rental housing can be constructed and invested in by local government or local employers. However, as the Regulation of Public Rental Housing indicated, even when public rental housing is invested in by local employers, it is mainly managed by the Yinchuan housing security department, and Yinchuan city housing security centre implements specific housing management. Thus, its allocation and management is different from other types of social housing.

At beginning of the implementation of public rental housing, allocations were made according to a 'queuing system'. After obtaining a CHS, the Yinchuan housing security department ordered qualified applicants on a waiting list. The appropriate authority would follow the list to allocate public rental housing, which was based on application time, public rental housing unit location, and the size of the public rental housing unit. However, this has changed as public rental housing is allocated by lottery at present.

Applicants can apply for public rental housing either from the government or their employers. If an applicant applies for employers' public rental housing, the employer will make an allocation list that is based on the size of the family, income, existing housing situation, and length of service. Local employers will satisfy their own employees' housing demands as the priority, and then any redundant public rental housing units will be assigned to other applicants who are on the waiting list for government public rental housing.

If an applicant applies for government public rental housing, especially migrants, they need to go through their employer to apply. According to a local government officer, at the beginning of its implementation, due to the shortage of public rental housing and the increasing numbers of migrants, employers needed to sort the number of applicants and then apply for a quota from the local government. After applications were accepted, the government would allocate a quota of housing to employers depending on the number of applications they had received. However, due to the limited stock of public rental housing, the government could not guarantee that they would provide enough units and non-allocated applicants had to wait until the next time. Individual applications for public

rental housing are not accepted by local government, but in the future individual applications may be accepted.

Once an eligible applicant for public rental housing has signed lease contracts, the application progresses to the management stage. During a period of shortage, generally, lease contracts for public rental housing cannot be for longer than three years. Tenants can apply for a contract extension if they are still eligible at the end of this period, but they must do this at least three months before their contract expires. The Yinchuan housing security department verifies the eligibility of applicants and those who are eligible will be given two more years on their contract, while applicants who are no longer eligible will be asked to leave. However, the total period on the lease cannot exceed five years. Compared with other cities in China, for example, Changzhou only supplies three-year leases for public rental housing and the tenants cannot apply for an extension (Policy Research of Building Social Housing System of China, 2011). However, in Chongqing and Shenzhen, tenants can choose to purchase the public rental housing unit that they have lived in for more than three consecutive years with land and financing costs (Yang & Chen, 2014).

At present, due to the number of newly constructed public rental housing units, there is no five-year lease limitation and tenants can live in public rental housing for as long as they are eligible. However, in the management of public rental housing, a department can terminate a lease contract and withdraw public rental housing, as well as banning a new application for five years, if any of the following situations are reported:

- False documents or inaccurate information have been supplied in a public rental housing application;
- Tenants have emptied or sublet a public rental housing unit during the previous three months;
- Residents have changed the purpose of a public rental housing unit, internal structure, or supporting facilities;
- Tenants have rent arrears or other fees from over three months;

- Individuals have organised illegal activities in a public rental housing unit;
- Tenants have infringed other rules and laws of public rental housing management.

Therefore, as one form of rental social housing, public rental housing covers a greater range of households and aims relieve housing difficulties rather than to solve housing problems by providing home-ownership, although there is a requirement to provide specific documents when the applicant is a migrant.

7.7 Evolution of Social Housing Allocation

The review of the literature about international social housing policies shows that different countries apply various allocation systems, such as ‘choice-based letting’ in the Netherlands and a ‘needs-based’ system in the US, while other countries, such as the UK, have changed their allocation process from a ‘needs-based system’ to ‘choice-based letting’ by considering residents’ needs. Similarly, the allocation system in Yinchuan has been changed due to considerations about residents’ living standards, as well as local situations.

At the beginning of social housing implementation in Yinchuan, when supply was less than demand, a ‘need-based’ system was applied to identify eligibility, and lotteries were used to allocate social housing to eligible households, such as is done in the US. Due to limited housing stock availability at this early stage, applicants could not choose the location or other circumstances of their unit before allocation, although they could decline to purchase the affordable housing unit after it was allocated. However, when social housing stock increased and coverage was extended, a ‘choice-based’ system was gradually adopted. With the development of social housing and urbanisation, large social housing projects were constructed across Yinchuan. With the increasing number of housing units, a lottery was preferred as an approach for allocating units randomly in order to reduce the disputes between applicants about unit allocation.

With an increasing number of households having been housed by ownership social housing, the demands on this type of housing reduced, which influenced the allocation approach. As the price of commercial housing decreased in Yinchuan, gradually this reduced the price difference between commercial housing and ownership social housing,

which made middle-income residents often chose to purchase commercial housing over ownership social housing. The result of this was that many ownership social housing units became unoccupied.

‘Every year we based our actions on the previous years’ situations to plan development for the next year [...] because of increasing demand, in 2012, we started a large number of social housing construction projects. However, in 2013, the housing market changed, the price of commercial housing went down and that narrowed the price difference between commercial housing and ownership social housing, especially price-limited housing. Thus, many residents are turning to the market [...] two households, who just purchased price-limited housing units, came this morning to apply to return their price-limited housing unit’

(Officer, Department of Social Housing of Yinchuan)

Hence, after being allocated a unit by lottery, applicants of ownership social housing can choose to abandon their purchase if they are unsatisfied with their unit, or they can exchange it with other households who are also seeking a swap.

Although new construction of ownership social housing has stopped, Yinchuan had 20,000 units of ownership social housing, 15,000 units of affordable housing and 5,000 units of price-limit housing in 2015. Among these units, only 10,000 units were allocated, which means 10,000 units of ownership social housing remained unoccupied. Thus, at present, households applying for ownership social housing can choose based on the situations of different social housing communities and can be allocated in a unit quickly. For public rental housing, adequate housing stock can satisfy current demand. Thus, the allocation of public rental housing is no longer made by lottery. Particularly for some employer-developed public rental housing, such as PRH of Industry, there is no waiting list for applicants and allocations can be arranged in a short time.

However, different from other types of social housing, a ‘needs-based system’ is still employed for low-rent housing in kind, where allocation is based on points. This form of allocation is based on emphasising housing need on the basis of applicants’ points, ranked from the most vulnerable to the least, including factors such as disability, elderly people,

current living situation, and other circumstances. The households with the highest number of points will have priority to be allocated the low-rent housing unit that they want.

Furthermore, merging housing sources for rental social housing has provided more flexible solutions. Applicants of both public rental housing and low-rent housing can be allocated appropriate units that are suitable for their family size. As one officer noted:

‘The small-size unit has been in shortage, especially for those single migrants [...] many low-rent housing families are squeezed into small-size units [...] In order to solve these issues, we merged the housing source of these two types of social housing, and, based on location and family size of applicants, we allocated public rental housing or low-rent housing [...] single applicants for public rental housing will not need to wait a long time for a small-sized unit, and applicants of low-rent housing with bigger sized families can be allocated bigger sized unit’

(Officer, Department of Social Housing of Yinchuan)

Merging the housing sources of rental social housing means that residents have more options to choose the size and location of their units. In other words, there are no longer units designated as low-rent housing or public rental housing, as these units are only distinguished by rental rate.

The approach of allocating the merged housing sources is as follows: as is required by the low-rent housing regulations, if an applicant for low-rent housing is a family of one they can only choose low-rent housing units with floor space that is less than 30 m². However, because small-sized units of low-rent housing are very scarce, eligible applicants have to wait until a small-sized unit is available; single applicants for public rental housing account for the majority of applications. Additionally, because the maximum floor space of low-rent housing unit is 50 m², applicants with a family of three and above will be overcrowded. Thus, merged housing sources of rental social housing provides more flexible solutions.

Furthermore, eligible households of low-rent housing could choose to rent a larger unit until they obtain an appropriate size of low-rent housing, but the rent for the extra floor

space will be charged at the standard rent of public rental housing. For example, single applicants of low-rent housing can choose to rent a 50 m² public rental housing unit, where 30 m² of this unit will be charged at the standard rental rate for low-rent housing, and the extra 20 m² will be charged at the standard rent for public rental housing.

By mid-2015, there were 10,000 units of rental social housing available, but only 8,000 applications were made. By the end of 2015, rental social housing stock in Yinchuan reached 28,000 units. Thus, by the end of 2015, with more social housing construction completed, Yinchuan had 48,000 units of social housing to solve most residents' living requirements. The social housing of Yinchuan had achieved a state of supply and demand balance, and surplus social housing means this will continue for several years. From 2015, Yinchuan will not concentrate on constructing social housing. However, a small amount of supplement rental social housing in commercial housing communities will be adopted in order to satisfy the expected housing needs of middle- to low-income residents in future years.

'For now, we have enough sources of social housing to solve housing problems for the next few years, so we won't start any construction of social housing from 2016 [...] of course if demand for social housing increases faster than we expect, we will build more'

(Officer, Department of Social Housing of Yinchuan)

Hence, the allocation of social housing is not only associated with the housing stock situation but also closely related with the main purposes that social housing focuses on solving in Yinchuan. When there is enough social housing stock, the 'choice-based' system not only reduces the number of abandoned purchases of ownership social housing but also better meets residents' needs. Meanwhile, employing a 'needs-based' points system for low-rent housing is an effective approach to protect vulnerable residents with specific circumstances. When there is adequate housing stock, the use of lottery will be reduced in the allocation system gradually and applicants will be allocated their chosen social housing unit.

7.8 Eviction Process of Social Housing

The process for exiting of social housing plays a significant role in the social housing system. In an interview with a local government officer, they mentioned that the most difficult part of their work in social housing was managing tenants accessing and exiting social housing. As access to social housing has been discussed above in the CHS section, this next part will explore current issues surrounding eviction from social housing in Yinchuan.

During interviews, the processes for accessing and exiting social housing were discussed together as the most important challenge in social housing implementation because they share some of the same issues for verification, such as residents' income level. Meanwhile, interviewees indicated that the process for exiting meets greater challenges than that for accessing in practice, as, with rental social housing gradually playing a more major role in the social housing system, being able to process evictions becomes even more important. As the accessing process is mainly controlled by the government, it is responsible for verifying whether households are eligible or not. However, eviction from social housing is not fully controlled by the government, as it is also influenced by occupiers, especially with regards to ownership social housing. Thus, implementing processes for evicting households from social housing has been more difficult.

As affordable housing and price-limited housing have a five-year policy, which is different from rental social housing, this section will discuss the process for eviction from ownership of social housing: ownership social housing and rental social housing.

7.8.1 Exit process from ownership social housing

Ownership social housing does not have an eviction process in the same way as rental social housing, but it does have a five-year policy that can be seen as a voluntary exit route. This section will explore the options of residents of ownership social housing who have lived there for five years.

The five-year policy means that households can purchase affordable housing in the market after they have paid for five years. After this period, households need to purchase another part of ownership from the local government and then they are free to place the property on the market. In Yinchuan, affordable housing is full ownership with limitation,

which is different from some other cities in China. According to Gong (2009) and Jiang (2012), affordable housing in some cities is implemented through common ownership, where the household has around 70% of ownership and the local government has the rest. In this case, the remaining portion of ownership will transfer to the household when the affordable housing unit has been owned for more than five years, which is referred to as the five-year restriction policy. Thus, ownership of affordable housing is referred to as full ownership with limited permission.

The rigorous implementation of the five-year restriction policy is important. According to No. 112, affordable housing cannot be traded on the market or leased out during the first five years. This provision is also implemented in the rest of the regions in China (Yang & Chen, 2014). If a household has to sell affordable housing because of some specific situation within the five years, the Yinchuan government will combine its original price, depreciation, and approximate current price to purchase it back. In addition, after a property has been owned for five years, households can trade this affordable housing on the market. Meanwhile, households need to meet certain conditions when trading affordable housing on the market, such as paying tax and land-transferring fees to the government. Additionally, these households cannot apply for any other type of social housing if they sell their affordable housing.

However, the sale of affordable housing is the main reason for the loss of social housing units. Thus, in order to reduce losing social housing unit, cities like Chongqing supply cash subsidies to those who are eligible for affordable housing. The Changzhou government provides an 80,000 yuan cash subsidy to eligible people to allow them to purchase commercial housing on the market, which is similar to providing cash subsidies for low-rent housing (Policy Research of Building Social Housing System of China, 2011). In Yinchuan, the local government has the priority right to purchase affordable housing back, but because of financial constraints, most affordable housing is placed on the market.

‘ In Yinchuan, the sale of affordable housing is one of the approaches to get money back in a short time, and we need this money to build other social housing [...] we have priority right to buy affordable housing back, but the price of this affordable housing increases very quickly in five years. If we

bought this affordable housing back, it would cost more than building new housing'.

(Officer, Department of Real Estate of Yinchuan)

In addition, price-limited housing has implemented the five-year policy in the same way as affordable housing. However, unlike affordable housing, price-limited housing is common ownership, where the household only owns 82% of the property and the government has 18%. Households need to purchase the rest of the ownership from the government, meet specific conditions, and have owned the property for five years if they intend to sell it. Different cities apply various conditions, such as in Beijing where if price-limited housing is to be sold, after paying land tax, households need to pay 35% of the price difference between the original price and the current market prices (Yang, et al., 2013).

In 2015, the first price-limited housing project reached the end of the five-year policy in Yinchuan, and the government announced the draft procedure for price-limited housing transactions. As the government has part ownership, householders need to purchase this from the government using current market commercial housing prices, and only after this can they place the price-limited housing on the market.

In Yinchuan, it is not permitted to trade social housing units on the market during the first five years; otherwise, residents will be asked to pay very expensive taxes. However, as was found in some of the social housing communities visited during this research, there is a lot of sales boards for affordable housing and price-limited housing, and most of them were still within the first five years. In addition, from some of the interviewees stated that selling social housing during the first five years is not an unusual phenomenon.

'I bought an affordable housing unit in 2009, to be honest, I only lived there one year because it was really far from where I worked, so I rented it to a couple who were migrant workers until reaching the five-years policy, then I sold it.'

(Resident of affordable housing, female, 26-30)

'I know lots of people are doing secret transactions, some of them rent their units, and then they could rent another unit which might be nearer to their work place.'

(Resident of affordable housing, male, 26-30)

'To be honest, most affordable housing is too far from the city area. I know some people who sold their affordable housing secretly, then they could buy another unit which was nearer to their work place, then after five years, they'll officially do the transaction.'

(Resident of affordable housing, male, 26-30)

In addition, some of the residents of ownership social housing have not been living in the units they bought.

'I'm not living there, because it is far from where I work, and I am not satisfied with the quality and living environment, I kind of regret buying it [...] I'll sell it when it gets to five years.'

(Resident of affordable housing, male, 26-30)

Meanwhile, local government is not unaware of this phenomenon. However, these secret transactions are not easy to control.

'This part is difficult, we cannot expel them because they are actually eligible [...] it is ownership, I don't think we can cancel their unit without their permission.'

(Officer, Department of Social Housing of Jinfeng District)

However, in other interviews, some of the residents said they would not sell their unit even after five years.

'We won't sell it, we are happy with this unit and everything [...] to be honest, if we sell it, I don't think we could buy a unit as good as this.'

(Resident of Anju programme, male, 56-60)

'We haven't thought about it, actually, our unit is reaching its five years now, but we won't sell it, because if we sell it, we could not afford any other unit of commercial housing.'

(Resident of affordable housing, male, 31-35)

Meanwhile, some of them deemed ownership of social housing as temporary or as an investment method, with mostly younger people expressing this opinion.

'When I bought this unit, I thought this would be an investment.'

(Resident of affordable housing, female, 26-30)

'I bought affordable housing as my wedding house, you know, I have to have a place to live when I get married [...] I cannot afford commercial housing, affordable housing was a good option, and I think we could sell it, then buy a bigger commercial housing unit when we have a child.'

(Resident of affordable housing, male, 26-30)

Local policies mean that the government has the prior right to purchase ownership social housing units back when the owner wants to sell them on the market. However, the Yinchuan government did not purchase any ownership social housing back. Some of the government officers presented two reasons for this:

'As I said, our government could not afford to purchase those units back, our financial situation limits our implementation of this provision.'

(Officer, Department of Urbanisation and Planning of Ningxia)

'I don't think residents want to sell their units to us, we only can offer the original price of the affordable housing, or price-limited housing, but when they sell their units, they can sell for a price as high as commercial housing, which is much more than we can afford.'

(Department of Social Housing of Jinfeng District)

During the interviews, all government officer interviewees mentioned that stopping or reducing the development of ownership social housing could improve the social housing system, and it also could save the resources for future tenants.

'For now, I think controlling the floor space and transactions would help us to improve the social housing system in Yinchuan, floor space of ownership social housing would only satisfy the basic housing needs, which could reduce its transaction value.'

(Officer, Department of Social Housing, Yinchuan)

Therefore, although ownership social housing is a significant approach to solve housing issues that plays an important role in increasing home-ownership, the lack of appropriate exit management causes housing resources to be lost.

7.8.2 Process for exiting rental social housing

Comparing with ownership social housing, the policies surrounding leaving rental social housing has faced greater challenges. Accessing social housing only asks households to meet the conditions of the necessary policies, but these have changed over the years, meaning that evicting residents who are no longer eligible has become one of the most difficult problems in practice. This section will combine various circumstances to examine the current situation of processing evictions from rental social housing.

Firstly, the living standards have improved. The relevant departments regularly verify the eligibility of tenants, who will be asked to leave their rental social housing units within three months if they are no longer eligible. If a tenant still has not left after three months, the rent will be increased to the market level. However, in practice, the local government finds implementing this exit provision very difficult. Many of the tenants who are no longer eligible, especially low-rent housing tenants, refuse to leave their current units or to pay the increased rental rate.

'We've met lots of challenges related to people leaving low-rent housing. Many people just ignore us, don't move, and don't pay the rent [...] although the policies say we can increase the rent, they won't pay, and we cannot just expel them out, leave their stuff on the street, they might not have a place to stay.'

(Officer, Department of Social Housing of Jinfeng District)

As discussed, low-rent housing is implemented using two methods. The Yinchuan government believe that cash subsidies are the better method to implement and that they can make the process for exiting more efficient to implement.

'We pay cash subsidies to these qualified tenants, let them rent housing on the market, when they are no longer qualified, we only need to stop paying cash [...] this will make the process for exiting easier and more effective than in low-rent housing.'

(Officer, Department of Social Housing of Xixia District)

Secondly, the original conditions of the applicants have changed. According to the exit provisions, when the original conditions of an applicant have changed, the tenant needs to leave their current unit and re-apply for another social housing unit. This includes changes related to divorce and death of a family member. For example, if the main applicant dies then the other members of the family have to quit the rental social housing and select one of the other family members to be the main applicant on the application for another unit. In interviews, one low-rent housing resident encountered this situation:

'My husband died in an accident several months ago, and the government asked my son and I to leave this low-rent housing unit and apply for another one. It means I have to act as the main applicant to apply for a new CHS, submit an application for low-rent housing, then wait to be allocated. But where will we live during this period? Last time, it took more than one year to apply for this unit and how about this time?'

(Resident of low-rent housing, female, 41-45)

She also said:

'I think that we have to leave our low-rent housing because the main applicant has changed is unfair, our living standard have not been improved, I can say, it has even been reduced [...] before my husband died, he was the source of major income, we both work, and raise our son, but now, only I work [...] I cannot afford to rent a unit on the market, but the government has given us notice to move out'

I asked one of the local government officers how to deal with this issue in 2013.

'We know this is difficult, but we have to ask them to leave, we need to verify their conditions, if still qualified, then they will be allocated an appropriate unit for them [...] for example, as policies are at present, an applicant with a family of two and an applicant with a family of three will be allocated different-sized units [...] however, we cannot switch them to a smaller unit. You know, there are lots of applicants on the waiting list, and many of the applicants might have even more difficult issues, they have to wait'

(Officer, Department of Social Housing of Yinchuan)

However, when officers were interviewed in 2015, policy adjustments had been made regarding this situation. According to one officer, when the original applicant has changed, other family members can apply to replace the main applicant, if they still eligible. After the main applicant has been replaced, they can remain in their housing.

'We had a shortage of low-rent housing for a very long time, and the demand for it kept increasing. However, we increased the construction of low-rent housing from 2009, and from 2012 the construction of low-rent housing was completed, and at end of this year [2015], more social housing will come into service. We currently have enough housing resources, more than in the early years [...] in this case, when the main applicant has changed, we can adjust for them, and they don't need to re-apply'

(Officer, Department of Social Housing of Jinfeng District)

Especially after public rental housing and low-rental housing was merged, even if tenants' situations improved, they could continue to live in their current unit but pay the rental rate of public rental housing.

As local government officers mentioned, low-rent housing cash subsidies are an effective method of solving many of these issues. According to one local government officer:

'As I said, we've found the implementation of exit provision for in-kind low-rent housing difficult in practice, it would result in the formation of a new slum, and, to some extent, cash low-rent housing could avoid this happening.'

(Officer, Department of Social Housing of Yinchuan)

According to local government data records, from the tenants who have been allocated low-rent housing, more than 80% of them have been allocated demand-side subsidy, while 10% of the very low-income tenants are provided with in-kind low-rent housing. However, according to another interviewee from local government, for these very low-income families, low-rent housing demand-side subsidy does not improve their housing standard. For these households, the demand-side subsidy is too small to allow them to afford market rent, and they prefer spending their demand-side subsidy on living costs rather than improving their housing situation. Hence, in-kind low-rent housing is a significant method to protect those families with very low incomes.

Meanwhile, public rental housing is being developed for some specific groups, such as sanitation workers. Public rental housing applications from sanitation workers will not

follow the eviction policies of the related regulation concerning public rental housing. Sanitation workers will be required to quit from public rental housing when their employment contracts are expired or terminated.

In practice, exit of in-kind low-rent housing is the most difficult part of its management. According to one local government officer, few residents want to leave low-rent housing units voluntary, and there is not any effective approach to implement their eviction.

‘Carrying out an eviction is very complicated. Under the policies, they are no longer eligible, but they refuse to leave. Our department is only to allocate and manage housing, we don’t have the right to expel them. The process is appeal and then courts execute eviction. However, the court doesn’t want to take responsible for these because there isn’t exact provision to support them.’

(Officer, Department of Social Housing of Yinchuan)

‘Nobody wants to leave once living there, and we cannot throw them on the street, because some of them definitely have nowhere to live [...] however, social housing should be about welfare for the public, not for the individual, so we need a complete system to improve it.’

(Officer, Department of Social Housing of Jinfeng District)

At present, the exit processes from rental social housing is still a very significant challenge. The limited rights of the relevant authority means that only limited measures can be applied while employing eviction processes. As one officer said,

‘For now, the only thing we can do that is talk to them, hope that they will leave voluntarily [...] of course, some of them exit, but other residents still refuse to go.’

Thus, leaving social housing is a difficult problem in actual practice for government, especially when faced with tenants who are no longer eligible but would be homeless if they were forced to leave their social housing unit.

7.9 Conclusion

In the social housing system, management plays a vital role in helping social housing implementation to achieve its purpose: housing people with middle- to low-incomes who are experiencing housing difficulties.

In terms of social housing management, how to validate eligibility for social housing is the first step to ensuring social housing is covering the right target groups. The process for accessing and exiting social housing are the most important steps to ensure its effectiveness. As the very first threshold of accessing social housing, the CHS has to verify applicants rigorously step-by-step. Meanwhile, during the process for exiting social housing, dynamic management is employed in order to verify if any households are no longer eligible, which is especially important for rental social housing. During the implementation of social housing, some management aspects have been noted.

Firstly, false documents and concealed information in applications. Throughout the entire procedure of social housing implementation, it is important to verify the eligibility of households. However, due to the limited range of consequences and the undefined accountability, many false documents are submitted in social housing applications. As the process for exiting ownership social housing is not the same that for rental social housing, false documents allow ineligible households access to the social housing system, and to obtain benefits by selling it. This also influences the effectiveness and purpose of social housing. Although the government involves public oversight as one system of verification, which helps to improve the effectiveness of social housing, it is not a reliable system as the only method that is employed.

Secondly, allocation can be influenced by housing stock, as housing shortages cause long waiting lists. However, allocation is improving over time as housing stock increases. Lottery is employed for most types of social housing. It is thought of as a lucky draw for applicants when demand is greater than supply, although it means that some applicants to take part in more than one allocation lottery. However, with the increasing number of housing units becoming available, a lottery is preferred as an approach to allocate units randomly in order to reduce the disputes between applicants for units.

Thirdly, implementation difficulty for processing eviction from social housing. The process for exiting social housing is closely related with the management procedure. Due to the circumstances of households changing over time, both that of occupiers and applicants, adopting dynamic management helps to discover households that are no longer eligible in order to direct social housing to those people who have current housing difficulties. Except where false documents are involved, the most difficult aspect of the eviction process from social housing is finding a way to get households that are no longer eligible to leave social housing. Due to the limited powers of the relevant departments and a lack of support, the process for exiting still meets a number of challenges, such as the actual execution of evictions. This ineffective exit policy not only wastes social housing resources, but also influences the allocation procedure, especially when there are housing shortages. It also means that needy families will be waiting for an allocation longer because of households that are no longer eligible occupying the unit.

Although the management of social housing has faced some problems, the social housing system is improving and this has been reflected in the residents' living experiences. Thus, the next chapter will illustrate the experience of residents in different types of social housing to illustrate how social housing meets their needs.

Chapter 8 : Experiences of Social Housing in Yinchuan

8.1 Introduction

With rapid urbanisation, economic development and a growing population, social housing has required increasing resources to fulfill its most fundamental function of meeting residents' housing needs. Housing needs are referred to as 'an indicator of existing deficit: the number of households that do not have access to accommodation that meets certain normative standards' (Heath, 2014, p. 1). In China, where these housing needs are becoming increasingly pressing, 'the 17th National Congress of the Community Party of China' in 2007 emphasised the basic purpose of social housing: to provide 'home to live in' (*zhuyou suoju*) (Luo & Xiang, 2011).

'We do not have a specific definition of housing needs, or how to meet housing needs. 'Home to live in' can be explained as 'having a place to live', indicating what housing needs could be. That could be an understanding that all people should have a place to live, rather than an ownership of a home.'

(Officer, Department of Social Housing of Yinchuan)

This indicates that social housing in Yinchuan focuses on finding people somewhere they can live, rather than helping people to buy homes; thus, its primary function is to meet the basic and essential needs of people who are having difficulty with their housing.

As discussed in Chapter 6 and Chapter 7, social housing in Yinchuan has not only improved the quantity of social housing construction, but also expanded its coverage. Initially social housing covered only local residents, but now it also includes migrants. Furthermore, support has been widened to include not only low-income households, but also middle-to-low-income people. On the local government side, social housing does not only aim at housing the target groups, but also considers diverse scenarios to promote sustainable development, such as social mix. Furthermore, on the residents' side, social housing decisions influence people's living experience, such as where houses are located. For example, residents consider location as a major factor when they purchase affordable housing in Beijing (Wong, et al., 2007).

Thus, in order to explore the residents' experiences of social housing, it is necessary to examine how well social housing meets the housing needs of local residents. This chapter considers social housing in Yinchuan in terms of its location, quality standard, and community model. It also explores experiences of social housing from the residents' perspective, to illustrate their expectations of social housing in Yinchuan and how these needs are met.

8.2 Location

Location is one of the most important and essential factors that influences the social housing system (Wong, et al., 2007). As far as local government is concerned, location not only effects the housing function but also plays a significant role in their urban planning. According to Cai and Wu (2012), the selection of land for social housing development has to meet many conditions, including factors such as city planning, location, traffic situation, and natural environment conditions. Natural environment conditions are the most basic condition for land selection for social housing construction, as safety and sustainability are always local governments' primary considerations, even if land is provided for free or at a discount. For example, social housing is not built in high risk areas, such as in places where earthquakes are highly likely.

Additionally, location is considered in association with living costs. As social housing is aimed at low-income and middle-to-low-income households, reducing living costs is a significant consideration. Wong, et al. (2007) notes that living in a location with convenient transport accessibility is very important for social housing tenants, as this allows them to save time and living costs. Especially when it comes to owning social housing, location is a significant factor that influences residents' choices when purchasing housing. Indeed, remote locations have caused residents to abandon their intention to purchase social housing in some cities, such as in Jinan (Dong, 2007). For local residents, the location of social housing is one of the most important factors that affects their living experience.

Although local housing policies state that the location of social housing should be convenient for everyday living, some residents may prefer a location that is convenient for getting to their work. These residents believe that housing that is near their work places is convenient for daily life, as this allows them not only to save on their living

costs but also to save time, which is especially true for people living in big cities. For example, in Beijing some social housing residents not only have to pay expensive transport fees, but also have to spend a long time travelling between their homes and work (Wong, et al., 2007). According to Cai and Wu (2012), the average transfer time to work from an affordable housing unit is 58 minutes in Beijing, while some residents will spend at least two hours travelling.

The next section will discuss the issue of location by considering its impact on daily life and getting to work. By combining these two factors, it illustrates how location influences local residents' choices and how it impacts on their experiences of social housing.

8.2.1 Location for everyday living

When planning a new social housing development, it is essential that it should be located in a place that is convenient for everyday living. Therefore, when selecting land for a social housing project, local governments should consider whether the area has good public facilities. As one officer noted

'Nobody wants to live in a place that is very far from the city, or have difficulty accessing this location, even if it is a very high quality house.'

(Officer, Department of Urbanisation and Development of Ningxia)

However, most social housing is located in urban fringe areas. This is the main area that is selected for social housing because there is sufficient land and it is low cost. For example, at the beginning of social housing implementation in Beijing, the north urban fringe of the city area was used to build social housing, such as Huilong Guan, one of the biggest affordable housing communities (Cai & Wu, 2012). This model was also applied in Yinchuan. However, location can be changed by urbanisation and city development. This section focuses on how locations have changed over time and how this development has influenced residents' everyday life over the last ten years.

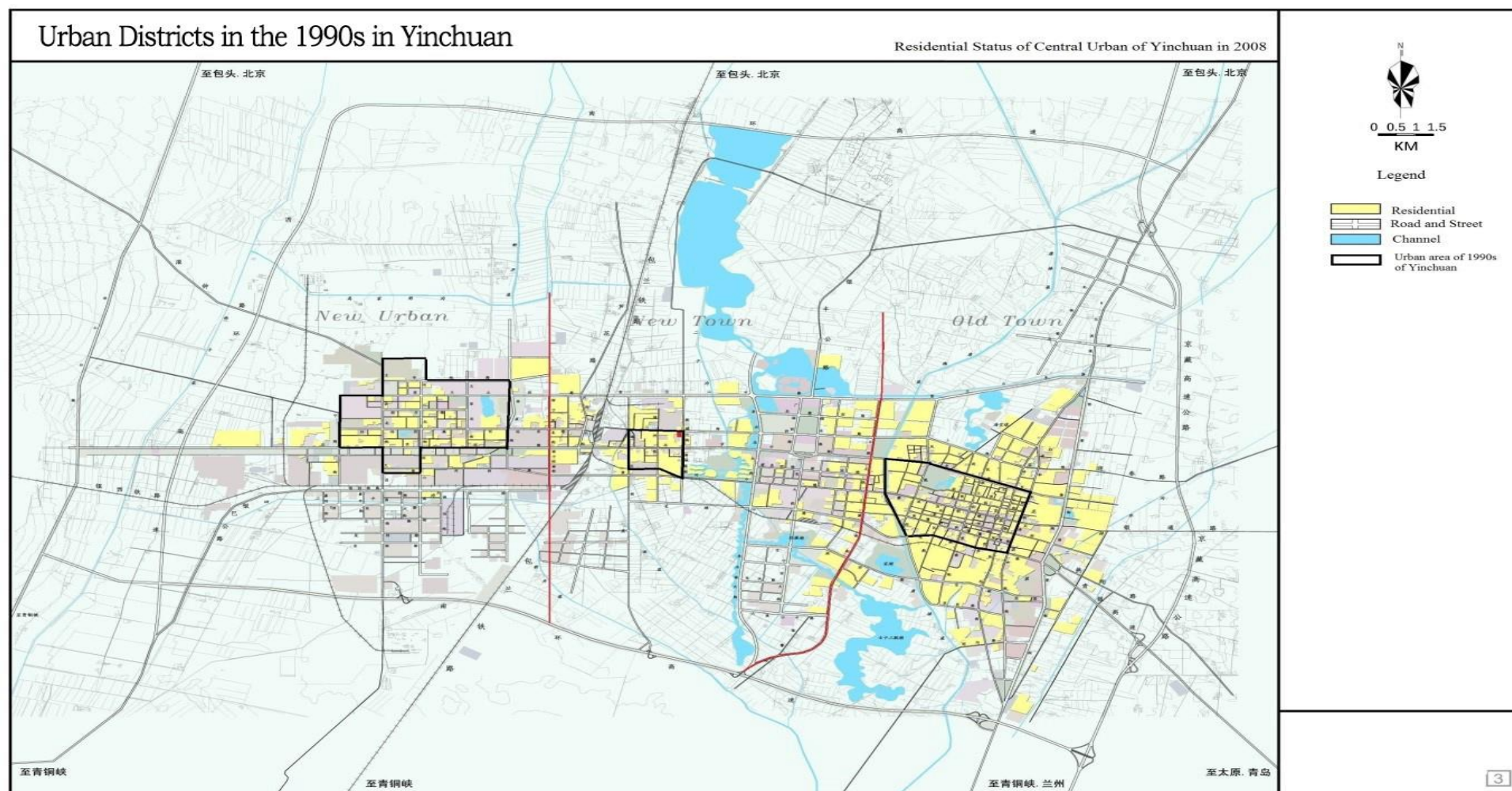
Anju programme community

The first Anju programme community was constructed in the 1990s in Yinchuan city's New Town, but since then the layout has changed as a result of urbanisation. In the 1990s,

Yinchuan was divided into three areas: the Old Town, the New Town, and the New Urban area (see Diagram 8-1). The Old Town experienced the earliest urbanisation and had greater development than the other two areas in the early 1990s. This area came to be used as the central urban area of Yinchuan, with a small high street, park, commercial residential area, and relatively good public facilities. The New Town, as its name suggests, was a place developed as a new town but there was less urbanisation than in the Old Town, and it only had a few small shops, work-unit housing communities, and basic public facilities. Diagram 8-1, below, was published in 2008 and it illustrates where construction was planned for residential areas (light yellow). The interior areas of the three black frames shown on the map were developed urban areas in 1990s.

At that time, employed residents relied on work-unit housing to solve their housing issues, the main source of residential housing in Yinchuan, and this was built and commissioned by local enterprises. Thus, housing communities was concentrated around these enterprises or industries. Meanwhile, commercial housing had just started to develop, with small-scale commercial housing construction in the Old Town. During the 1990s in Yinchuan, commercial housing was mainly purchased by well-off households who wanted to improve their living standards. Thus, commercial housing was developed around the central area of the Old Town first, then in the central areas of the other two districts.

Diagram 8-1: Location of the Anju programme in Yinchuan in the 1990s. Original source: Yinchuan Government, 2008.



This Anju programme community, which was visited as part of this research, came into service in 1994 and is located in the New Town (the red point on Diagram 8-1). Due to the fact that the New Town was developed in the early 1990s, few public facilities and less commercial housing existed when it was first built.

This Anju programme community was located in the north-east corner of the New Town, which was at the very edge of the New Town. According to one of residents who was interviewed, they

‘Walked at least 10 minutes to the nearest bus station, and then spent 40 minutes to 1 hour on bus to the New Urban for work. If I went to the Old Town for shopping from here, I also needed around 40 minutes on the way.’

(Resident of the Anju programme, female, 61-65)

However, urbanisation processed speedily in Yinchuan from the late 1990s and the facilities in the New Town improved gradually. According to this interviewee, by around 1998 small markets had started to appear and public facilities improved to provide a more convenient living environment. For example, increasingly bus routes travelled through the New Town, which reduced the time taken to reach the Old Town to 30 minutes.

‘As you can see, a market is just at the front of this community, and more and more shops and supermarkets were built [...]. Before I moved out, around 2003, a lot of commercial housing had been constructed around here, the location is getting much better than when I just moved in [...], and public transit is very convenient, by spending 30 minutes you can go to either the New Urban or the Old Town, which is much quicker.’

(Resident of the Anju programme, female, 61-65)

‘When we had just moved here, basically there was nothing around, no bus, couldn’t find a place for shopping [...] it’s getting better, after we had moved in for several years, you can see, for now, we can find everything we need

around there, like food, fresh vegetable and fruit, restaurants, buses, and a small medical centre.'

(Resident of the Anju programme, male, 61-65)

Therefore, the location of this economic and comfortable housing community has been improved by urbanisation. According to Diagram 8-1, by 2008, with the urban area extending, this location was no longer at the edge of the New Town.

Social housing communities

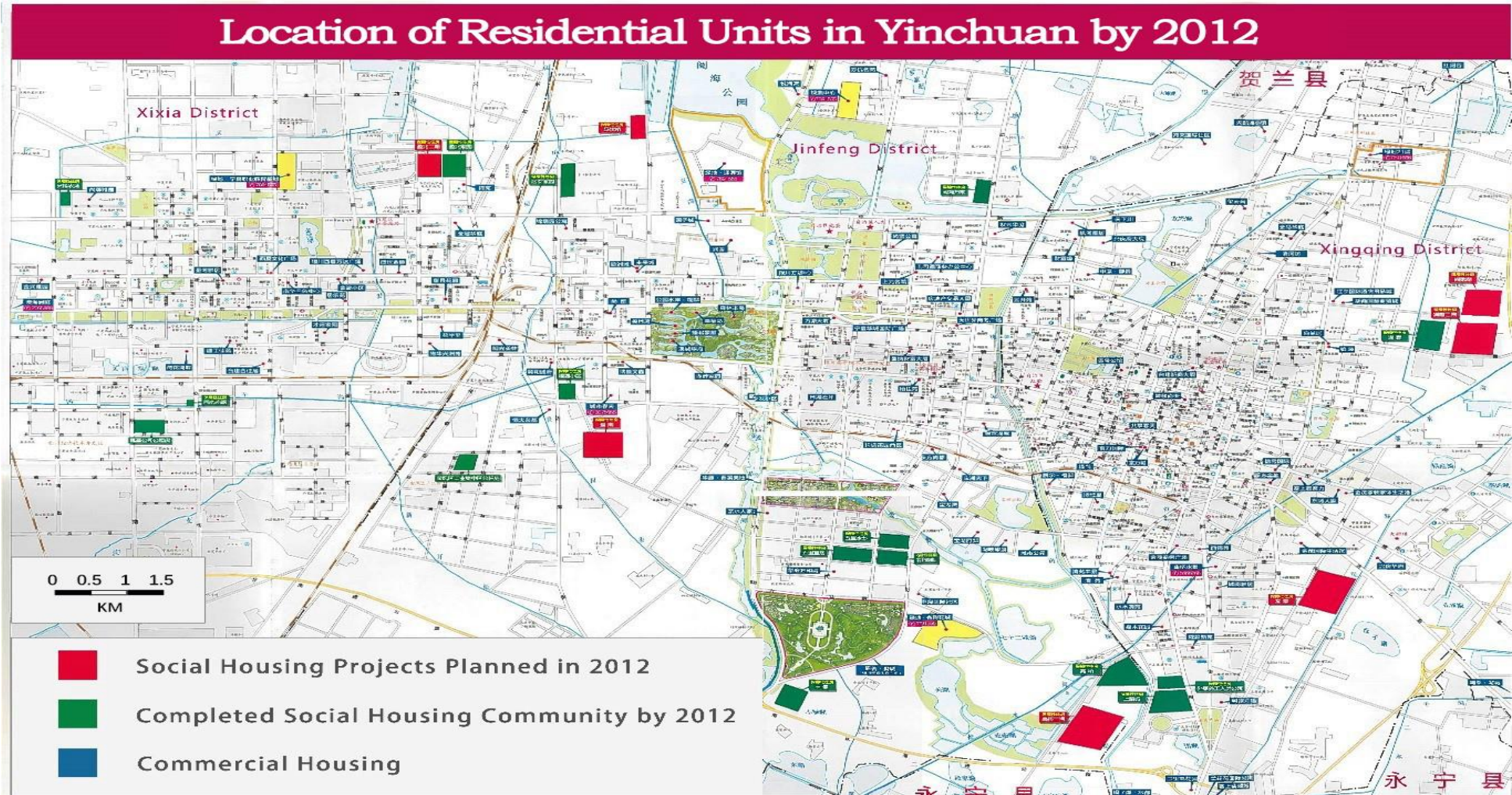
As one of the small cities in the western region, urbanisation in Yinchuan was slow to begin but then developed rapidly. From 1999 to 2008, as in most Chinese cities, developers in Yinchuan preferred to focus on commercial housing construction rather than social housing because of the potential for high profits. At the same time, financial difficulty was another factor that resulted in little development in social housing construction.

'As I said, Yinchuan is not rich city, as you know, except price-limited housing, land for social housing is provided for free by the local government [...] but we did not have enough money to build social housing in good locations because we had to sell this land to commercial housing developers to obtain money, then we could use this money for other developments. Hence, we only could offer land that was located in outskirt areas, or that lacked public facilities.'

(Officer, Department of Urbanisation and Development of Ningxia)

Thus, as shown in Diagram 8-2, by 2012 commercial residential housing in Yinchuan was allocated in more convenient places than most social housing communities. The red and green squares in Diagram 8-2 show the location of social housing projects that were developed by local government, which were located on the outskirts of the city. Meanwhile, the blue squares show the commercial housing communities concentrated around the city centre.

Diagram 8-2: Location of Residential Units in 2012. Original source: Yinchuan government.



By the end of 2005, only one social housing community was in use in Yinchuan, as most of the existing social housing communities were developed after 2008. Diagram 8-3 also shows the layout of social housing projects in Yinchuan. Social housing projects, shown by red spots, were developed by local government, and blue spots were supplement construction, re-buy construction, and employer-built construction social housing.

Government-developed social housing projects and social housing from supplement construction, re-buy construction and employer-developed construction have different considerations when selecting a location for construction. The former is usually developed on a large scale, involves multiple types of social housing, and supplies a large number of housing units to ease high demand for social housing. Therefore, government-developed social housing has to be considered as an important part of urbanisation, rather than only as social housing communities. Meanwhile, supplement construction, re-buy construction and employer-developed construction generally only apply to small-scale constructions.

Meanwhile, the location of different social housing sources not only are considered in terms of the residents' needs, but also play an important role in local development. In this research, social housing communities were visited that involved all the different types of social housing sources. From the government-developed social housing communities, this research focused on one of the largest social housing projects, Wuli, as a case to examine changes in the location of social housing in Yinchuan.

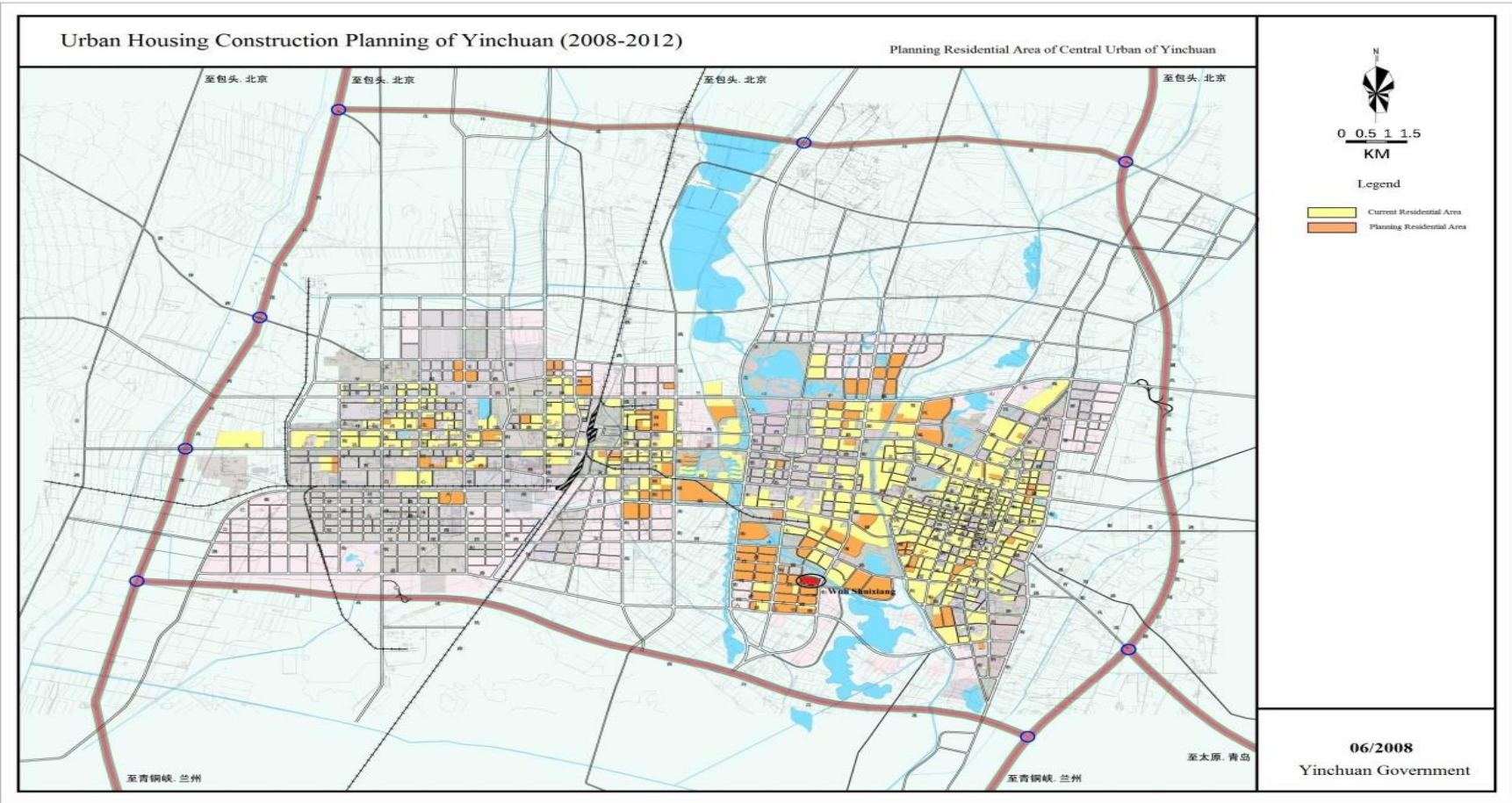
Diagram 8-3: The Layout of Social Housing Projects in Yinchuan, 2006 to 2015. Original source: Yinchuan government.



At present, the Wuli social housing project involves three social housing communities that were put into use at different times: Wuli Yiju (Diagram 8-3, red spot 9), Wuli Hupan (red spot 10), and Wuli Shuixiang (red star).¹⁶ The first social housing community was Wuli Shuixiang. Due to a shortage of documents available from the Yinchuan government, a planning map for 2008 to 2012 is provided to show the location of this community; as shown in Diagram 8-4, it was the only social housing community in 2005.

¹⁶ The original diagram shows the layout of social housing from 2006 to 2015. As Wuli Shuixiang was not completed by 2005, it is not displayed in the diagram.

Diagram 8-4: Location of Wuli Shuixiang Social Housing Community of Yinchuan, 2008-2012. Original source: Yinchuan government.



As show in Diagram 8-4, Wuli Shuixiang social housing community was located relatively close to the edge of the city in 2008. So although housing policy required that social housing should be located conveniently for living or working, Wuli Shuixiang was not located in a convenient area when it was just put into use. Thus, at the end of 2005, when the social housing community came into service, many applicants abandoned their intention to purchase units because of their location.

‘In some sense, Wuli Shuixiang was the first formal social housing community in Yinchuan. After the 1998 housing reform, many people expected to apply for and purchase property, especially as the price of commercial housing was increasing so fast that it was beyond most of middle- to low-income peoples’ affordability. However, as I said before, we had to sell good land to developers of commercial housing to earn money, thus, when we introduced the location of Wuli Shuixiang, most of the applicants were very disappointed, and some of them choose to abandon purchasing there.’

(Officer, Department of Urbanisation and Development of Ningxia)

Some of the residents of Wulli Shuixiang mentioned similar points about its location.

‘I was not happy with this location, nothing around here, very inconvenient while I first moved in, there were no street lamps outside the community [...] no bus routes was the most significant problem. I was concerned at that moment. My husband and I went to work by bike until the first bus route was put through here.’

(Resident of affordable housing, female, 31-35)

‘One of my friends applied for this [affordable housing] as well, but he could not accept the situation of the location. To be honest, there was nothing around when it was first put into use, so he abandoned the purchase’

(Resident of affordable housing, female, 26-30)

‘There was nothing here, it was surrounded by farmlands, less urbanisation, no other housing around here except this community [...] and I had to take at least 1 hour to go to work by bike.’

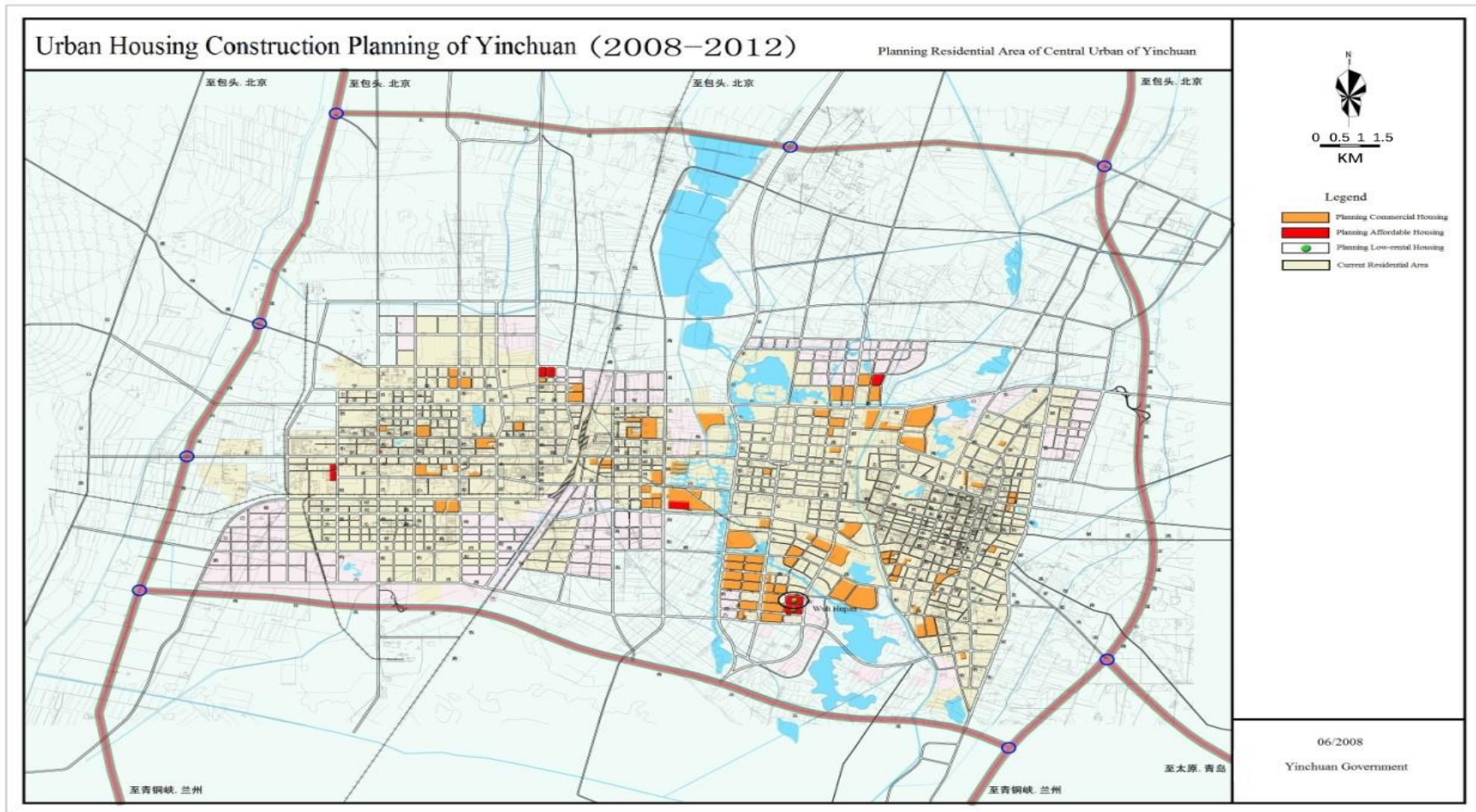
(Resident of low-rent housing, female, 41-45)

‘Still very remote for me, only one public route went through here, and when I first moved in, it still had lots of farmlands surrounding it [...] I believed it would be improved because I saw some construction sites around this community at that moment.’

(Resident of affordable housing, female, 26-30)

In 2008, social housing progressed into a period of rapid development. The Wuli Hupan project was began in this year, which was developed next to Wuli Shuixiang. However, at this time, although it had experienced three years of urbanisation, this location was still at the edge of the urban area (see Diagram 8-5).

Diagram 8-5: Location of Wuli Hupan Social Housing Community. Original source: Yinchuan government.



However, during 2008 to 2012, more commercial housing projects were planned around Wuli social housing communities (see Diagram 8-5). Although the location was at the edge of the city, increasing numbers of commercial housing communities drove the development of this area, including improved public facilities and accessibility (Diagram 8-2).

When the Wuli social housing communities were visited by the researcher, the location was easy to access, and they were within easy reach of the city centre and most parts of the city area of Yinchuan. Meanwhile, schools, hospitals, shops and restaurants could be found around this area. The following photographs show the differences on the same road between 2008 and 2013 (Photo 8-1).

Photo 8-1: Wuli Social Housing Communities in 2008 (left, picture from house.sina.com.cn) and 2013 (right, taken by author)



In Photo 8-1, taken in 2013, there is a market at the front of the main gates of Wuli Shuixiang and Wuli Hupan, and some small shops and restaurants around the Wuli social housing communities. Meanwhile, Photo 8-2, below, shows more of the area around the Wuli social housing communities in 2013, showing the buses and commercial housing project still under construction (1), the market (2) and a small restaurant and high school (3).

Photo 8-2: Around the Wuli Social Housing Communities by 2013 (taken by author).



During 2008 to 2013, the public facilities for Wuli social housing communities improved gradually. As shown in Diagram 8-5, above, the orange areas mark the locations of residential housing projects in development by 2012. From this it is possible to see that the location of the Wuli social housing community had improved so much that by 2012 it was similar to the Anju programme community discussed above.

In 2010, Wuli Yiju was completed, making it the third social housing community of the Wuli social housing projects. It attracted increasing numbers of residents of both social housing and commercial housing to the area. Meanwhile, public facilities improved gradually and this increasingly attracted commercial housing developers. Compared with 2008, this location has experienced great improvement.

'I think here is quite convenient now, buses route through the front gate of this community, and I can find hospitals, restaurants, and a bus station around here easily.'

(Resident of affordable housing, female, 26-30)

'Here is getting much more convenient than before [when she first moved in]. There is a market just at the front of the main gate, I can get fresh fruit, vegetables, meats, and daily supplies from this market, and there is a Daily Fresh Vegetable Spot, and the vegetables from the spot are even cheaper.'

(Resident of low-rent housing, female, 41-45)

'Wuli social housing communities are becoming one of the most popular social housing communities in Yinchuan. Some friends of mine are applying for affordable housing in Wuli Hupan, and they're on the waiting list for quite a long time [...]. Many people [affordable housing applicants] want a unit here.'

(Resident of affordable housing, female, 26-30)

Furthermore, facilities have not only improved around social housing communities, but also inside them. For example, in order to improve residents' living experience and to enhance the security standard of social housing communities, Wuli Yiju is now equipped with CCTV. Compared with most of the old social housing communities, this addition is a significant improvement to security standards (Photo 8-3).

Photo 8-3: CCTV Equipped in Wuli Yiju Social Housing Community (taken by author).



One local government officer interviewee explained this was the development model and urbanisation plan that was applied in Yinchuan, and, in some ways, this explained the reason for selecting this land for social housing in Yinchuan:

‘We build social housing communities first, then, when the number of residents increases, facilities are improved, such as in the Wuli social housing communities [...] In some senses, social housing communities drove the development and urbanisation of this location, such as facilities improvement, and urbanisation will bring more commercial housing projects into this location, which will promote facilities construction and urbanisation. We can say this is a virtuous circle.’

(Officer, Department of Urbanisation and Development of Ningxia)

Thus, in this case, the location of social housing was improved with urbanisation and local development, even though it was originally built in an inconvenient place at the edge of the city. These facility improvements resulted in improvements to the residents’ living standards.

Compared with large-scale social housing projects, supplement, re-buy and small-scale social housing are located across more diverse areas of the city. As is shown in Diagram

8-3, blue spots are social housing projects that include supplement social housing in commercial housing communities, re-buy social housing and local employer-developed social housing. Among these social housing projects, supplement social housing can be all types of social housing, while re-buy social housing is mainly used for rental social housing, and local employer-developed only for public rental housing (as will be explained in the Section 8.2.2. about location for work).

Supplement social housing constructions are usually built in commercial housing communities and account for only a small number of the units. The location of this social housing is various, but most of these are allocated in relatively convenient locations. In this research, price-limited housing residents were from supplement social housing, who were satisfied with the location and public facilities from when they first moved in. Furthermore, residents also mentioned the location of their communities improved more over time.

Re-buy constructions as social housing is generally used for rental social housing, especially for public rental housing. Due to Yinchuan's need to meet the high housing demand from migrants when the public rental housing policy was first put forward, already completed re-buy construction was an effective approach to relieve this shortage in a limited time.

In this research, one re-buy project was visited that was not yet completed (picture 2 of Photo 8-4). When visited by the researcher, this commercial housing community had been in construction for around seven years, but it had been abandoned because of its very poor location. The Yinchuan government had purchased this project in 2012, as a public rental housing project.

'This location was not really good as commercial housing, but it will be a really good one, you can see residential development around here [...] especially after the construction of this shopping mall is finished [the location will be much improved].'

(Developer of re-buy social housing project)

When this project was visited, it was observed that it was located next to the Ningxia University and Yinchuan Stadium. Although there was no direct bus route, it was only 10 minutes' walk from the nearest bus stop. Meanwhile, a shopping mall, high-rise flats and offices would be put into use by end of 2013.

Public rental housing community

As mentioned earlier, the public rental housing policy was put forward later than other types of social housing. As it was aimed at a broad range of households, the location had to be carefully considered. Public rental housing includes new construction and re-buy constructions. The first public rental housing community for migrants in Yinchuan came into service in 2010 (Diagram 8-3, red spot 15). This community will be used as an example to explore the location of public rental housing in Yinchuan. As can be seen in Diagram 8-3, this community is located relatively near the edge of the city. However, unlike other government social housing communities, the location of PRH for migrants is very easy to access and public facilities are relatively fully equipped, including convenient public transit. There are also hospitals, restaurants, and small supermarkets around this community.

'This public rental housing community was built for migrant workers, thus, in order to improve its accessibility, we allocated it near one of the biggest long-distance bus stations [...] and by the end of this year [2013], a new Talent Market will come into service. The idea is that migrants who come here for jobs, they only need to walk five minutes to the Talent Market to find job opportunities [...] the bus stop at the front of the main gate has several bus routes.'

(Officer, Department of Social Housing of Yinchuan)

'I think here is quite convenient, much better than where I used to live [...] bus routes through the front door of this community, and I can find hospitals, restaurant, and bus station around here.'

(Resident of public rental housing, female, 31-35)

In addition, Yinchuan applied Bus Rapid Transit routes around 2012. These routes can reach most places in the urban areas of Yinchuan, they are faster than ordinary bus routes, and it is easy to transfer to another bus route at a transfer spot without extra fees. Furthermore, there is a police station for the migrant population to register at after arrival that is just outside the community (picture 1 of Photo 8-4).

Thus, compared with the large-scale social housing communities mentioned above, the location of small-scale social housing, especially when it targets specific groups, is allocated in more convenient places with easier accessibility, and equipped with public facilities for their specific purpose, such as migrant registration centres.

Photo 8-4: Public Rental Housing by Yinchuan Government (taken by author).



8.2.2 Location for work

Some of social housing communities are allocated in a location where they are convenient for going to work rather than for daily life. This situation has occurred in public rental housing communities more than in other types of social housing, as they are often constructed by local employers.

'Public rental housing is slightly different from other types of social housing that is aimed at easing housing problems for people in a transition stage [...] we have public rental housing which were built by local employers to solve housing problems for their employees. For example, universities' public rental housing will help many young teachers.'

(Officer, Department of Social Housing of Yinchuan)

Public rental housing is the only type of social housing available to migrants, talented professional people, and young entrepreneurs. When it comes to building accommodation for migrants, land must be selected with consideration of location, as it must be more convenient to travel to work from there than other types of social housing.

According to Cai and Wu (2012), many middle- to low-income people, especially migrants, do two types of work: service and industry. Service employees work around the city centre, such as in shopping malls, while industry employees mostly stay in the areas surrounding a city. As above mentioned, land selection for social housing must consider how to reduce the living costs of middle- to low-income people, thus, consideration of employee distribution characteristics is a vital element of this. Therefore, some cities concentrate on implementing the building of social housing in the central areas of the city that offer convenient transport and public facilities for social housing residents. For example, the Shenyang government stipulates that social housing should not be built in the urban fringe area, but rather in more convenient areas or within the city centre (Cai & Wu, 2012). Yinchuan also has some public rental housing projects in the central area of city (see blue spot 19, 14, and 21 on Diagram 8-3).

Except government constructed and re-buy public rental housing, local employers play an important role in supplying public rental housing for their employees. Blue spots on Diagram 8-3 show that employer-constructed public rental housing is located close to work places. Employees living in this public rental housing will have easy access to their work and also save living costs and travel time; for example, blue spot 17 shows an industrial area with public rental housing constructed for employees.

As mentioned in Chapter 6, local employers can use their own land to build public rental housing for their own employees, especially migrants and young employees, in order to

supply accommodation that is convenient for work. For this research, one public rental housing community was visited (blue spot 17 on Diagram 8-3) that was designed to be convenient for work, which is use here as an example to discuss its location. The Public Rental Housing of Industry Area (hereinafter PRH of Industry) social housing project was introduced in 2012, its construction was completed at the end of 2013, and it came into service around the middle of 2014. This project was aimed at low-income employees from the industrial area who do not have any property in Yinchuan.

As mentioned in Chapter 5, Yinchuan, as one of the rapidly developing cities of western China, created its 'Western Development' plan to attract companies to come to the city. At the same time, the Yinchuan government introduced companies from elsewhere in order to push up the local economy's development. These companies and industries settled in some areas located in the more remote areas of the city. Jinfeng Industry area has the greatest concentration of companies and industries in the district, with around 160 companies and more than 3,600 employees. According to interviewees from the local government, most of these employees are migrants, who come from outside Yinchuan and other provinces surrounding Ningxia. Thus, in order to ease housing problems for these employees, Yinchuan introduced the PRH of Industry in 2012.

Photo 8-5: Public Rental Housing of Industry Area (taken by author).



Different from other social housing communities, this public rental housing community aims at providing employees with easy access to their work places.

‘Our industrial area is far from the city centre, and other residential areas, so it will take a relatively long time to go to work if employees are living outside of this area [...] they will save plenty time on traffic once they live here.’

(Officer, Department of Social Housing of Yinchuan)

According to interviewees from other social housing communities, because of the various places the residents worked, some of them mentioned that their housing locations were not convenient for work. With this problem in mind, the PRH of Industry was mainly

designed to allow employees who are working in the industrial area easy access to their work places.

‘For now, all residents are employees of the industrial area, all the companies are around here, and it is very easy to reach your work place.’

(Staff, property management of public rental housing community)

‘I work here, my work place is just over there [finger points to the direction of his work place], only ten minutes walk.’

(Resident of public rental housing, female, 26-30)

‘10 minutes to work from here by bike, it is quite convenient.’

(Resident of public rental housing, male, 26-30).

As above mentioned, around 3,600 employees work in the industrial area, and most of them are migrants. One of the government officers interviewed claimed there are 1,590 units of public rental housing in this community, however, when the researcher visited this community in 2015, two buildings were still empty. According to a member of the property management staff, only around 800 units have been occupied. One local government officer gave an explanation for this:

‘We know China has had rapid economic development since 2012, and Yinchuan is in the same situation, but since this year [2015], the speed of local economic development has been reducing, [...] many companies are facing financial issues, meaning some of them have gone bankrupt, and some of them had to lay off staff [...] there are not as many employees as when the community was constructed, that is why half of the community units are empty.’

(Officer, Department of Social Housing of Yinchuan)

Meanwhile, an employee from this community mentioned that there was no waiting list when they applied.

'I applied from my employer, I only told them that I needed accommodation with my child, then they asked me to fill out a form. After about one week, I got the key.'

(Resident of public rental housing, female, 26-30)

However, even if empty public rental housing built by employers could be made available to other social residents, people do not want to be allocated in communities like the PRH of Industry because of the location.

'Actually, we offered those units to the public as a housing source but no one wanted to apply [...] they think it is not convenient for daily life. Although it has bus routes, restaurants, a medical centre, and other public facilities, still nobody wants to live there.'

(Officer, Department of Social Housing of Yinchuan)

'I'm living here because I'm working here. I don't need to go to other places often [...] there is bus that goes to the city area if I need to go there.'

(Resident of public rental housing, female, 26-30)

Meanwhile, property management staff at the PRH of Industry mentioned that they prefer it if all residents of this community are employees of this industrial area.

'Employees are easy to manage, they are young, we have contract with their companies, and they are easy to talk with, most of them will follow the rules [...] if they try to refuse to pay rent or other fees, we can contact their companies, and get those fees from there.'

(Staff, property management of public rental housing community)

Therefore, different from social housing for everyday living, public rental housing is developed by local employers with the purpose of supplying accommodation that is convenient for work. These communities are usually equipped with relatively good public facilities when they are brought into service. Some of these public facilities have been

equipped by employers, which eases the financial pressure for local government and contributes towards the supply of better living conditions. Meanwhile, for low-income employees, staying in a convenient location for work can save living costs, especially for migrant workers.

8.2.3 *Summary*

The location of social housing in Yinchuan is arranged around two principles: for everyday living or for work. Housing that is located to be convenient for everyday living is generally improved with urbanisation and local economic development. These social housing communities used to be located on the outskirts of the city without full public facilities, but with the extension of the urban area and better public facilities having been constructed these locations have experienced great improvements. Additionally, the residents' satisfaction with the location of these social housing units has increased due to the improved facilities.

However, some social housing, especially public rental housing, aims to provide a convenient location for work. The location of employer-built public rental housing is determined according to the requirements of their employees, meaning they are located in a convenient place for work and equipped with relatively good public facilities in order to provide a good living environment for employees.

8.3 Community Forms and Social Mix

In the last section, some community forms of social housing were mentioned, such as the Wuli social housing communities that include multiple types of social housing. Meanwhile, other communities only contain a single type of social housing. In Yinchuan, three forms are employed for social housing community constructions, and these communities include multiple types of social housing, as that is considered to improve social mix. This section will discuss community forms and social housing mix in Yinchuan.

Social housing communities are employed three forms:

Firstly, single-type social housing community. This form was commonly applied at the beginning of social housing implementation. Anju programme communities were all single-type social housing communities in Yinchuan because it was the only type of social housing introduced in the 1990s. In 1998, affordable housing and low-rent housing were introduced together, but the early stage construction of social housing communities still only involved affordable housing, and the low-rent housing was mainly provided from rebought old units rather than newly constructed social housing communities.

'We built couple of communities for the Anju programme in the 1990s and an affordable housing community after the 1998 housing policy reform [...] We did not build new low-rent housing units because we did not have money to do it, but we supplied cash subsidies to those lowest-income residents at that time [...] We only had over 200 units of low-rent housing by 2008.'

(Officer, Department of Social Housing of Yinchuan)

Additionally, although more types of social housing were introduced with the improvement of the social housing system, the single-type social housing community was still mostly applied in Yinchuan to meet the high demand for one type of social housing. For example, since public rental housing was introduced in 2012, the local government has concentrated on constructing a community of public rental housing for migrants in order to ease the increasing demand.

Secondly, multiple types of social housing are created in one community, forming a mixed social housing community. From 2008, Yinchuan started to increase its large-scale construction of social housing, and all types of social housing were designed to exist in a single community. From 2008 to 2010, mixed social housing communities included both affordable housing and low-rent housing. After price-limited housing was introduced in 2010, social housing communities started construction that included all three types of social housing. Then, after 2012, with the implementation of public rental housing, newly constructed mixed social housing communities started to appear. Meanwhile, with rapid urbanisation, re-settled housing was also increasingly added to these newly constructed mixed social housing communities. Wuli social housing projects is a good example for this community form that basically involved all types of social housing.

Thirdly, there is what is referred to as supplement social housing construction in commercial housing communities (hereinafter, supplement social housing communities). This is another mixed form of community. However, rather than referring to these as social housing communities, these are referred to as commercial housing communities. In these communities, social housing households share full public facilities, but pay smaller property management fees than ordinary commercial housing residents. This community form is applied in many cities in China; for example, four social housing projects by the Nanjing government were planned to include commercial housing, affordable housing, price-limited housing, re-settlement housing, public rental housing, and low-rent housing (Cai & Wu, 2012). In Yinchuan, this form has become one of the important types of communities, especially when the government does not need a large-scale social housing construction to meet residents' housing needs. Meanwhile, as public facilities for commercial housing are likely to be good, this saves the local government from the cost of future development. In this research, one of social housing communities visited, Shangmei Yaju, included commercial housing, re-settle housing, affordable housing, and low-rent housing.

While conducting this research, 'avoiding creating a new slum' was frequently mentioned by officers when they considered how to design the form of a community. Compared with single-type community forms, this model is less likely to result in the forming of new slums and it makes the community more manageable. To combine different people, who have different backgrounds, incomes, and living habits helps to improve the social mix.

'The form of mixed social housing community that is applied in Yinchuan is a major part of new social housing communities. I think this community form will be more manageable than the single-type community form, especially for low-rent housing communities. Some low-rent housing households have very difficult circumstances and they will probably have difficulty paying fees. If they are all concentrated living in one community and cannot pay fees, this community won't work anymore [...] fees paid from other residents, like middle-income residents, will help with the operation of the community.'

(Officer, Department of Social Housing of Yinchuan)

‘Definitely, a single-type community for relatively low-income residents would cause the formation of new slums [...] and the community could not work like other communities, such as they probably do not have money to pay fees for keeping property management in operation [...] and once a concentrate living area of low-income people has been formed, that would influence the surrounding living environment [...] developers wouldn’t invest in developing this area, even other commercial housing communities wouldn’t be built around there, because other residents would not want to live in this area’

(Officer, Department of Social Housing of Xixia District)

However, some of developers of commercial housing do not want to put social housing into commercial housing communities. As one interviewee noted:

‘Our policy mentions that commercial housing communities must have a certain proportion of social housing units, around 5% to 10%. However, some developers prefer to pay more money to the government rather than construct social housing in their commercial housing, they want to build a high level living environment in order to attract more residents, at least they want residents who can pay fees on time [...] it is all about the market after all.’

(Officer, Department of Social Housing of Jinfeng District)

‘Yes, some of the customers asked if social housing or re-settled housing was in this community. If yes, they may have to consider it carefully, or just won’t buy it [...] they want to live with people who have similar living habits.’

(Staff, property management of supplement social housing community)

However, some interviewees from the management side provided different opinions. According to a member of the property management staff of public rental housing in this industrial area, single-type communities are relative easy to manage.

‘Currently, all of the residents are employees of those companies in the industry area, we don't accept individual applications and they have to apply through their employer [...] we know where they come from, who they are working for, and we will know once they are no longer an employee [...] In addition, if anyone of them does not pay fees on time, or damages any property, it is easy to contact their employers and get payment from either the tenant or their employers.’

(Staff, property management of PRH of industry area)

However, other property management staff from another single-type public rental housing communities mentioned different circumstances. They argued that it does not matter how many types of social housing there are in one community, how difficult it is to manage is related to who is living in the community.

‘It's not easy to manage, they are all migrants, most of them come from rural areas, they have different backgrounds and living habits [...] we have to ask them to follow the rules of community management, it is more like asking them to live as urban residents, but it is difficult. Most of them keep their living habits, such as gathering their staff in public areas [...] meantime, they also find difficult to understand why they should do this or do that.’

(Staff, property management of public rental housing community)

Furthermore, some of the residents who are living in mixed form of communities thought social mix influenced their living standard, which was not what they expected from social housing.

‘Many re-settlement housing households are living here. I think we have totally different living habits. For example, they never close the main door of the building, it's not safe for me.’

(Resident of affordable housing, female, 26-30)

'Re-settlement housing in these communities is one of the reasons why I'm not living in my affordable housing unit. The living environment is too complex for me, some of them have more than one unit, and they rent those out to people who are probably unemployed, or people who would make trouble. That's not good for me.'

(Resident of affordable housing, male, 26-30).

Two residents who were interviewed were applying to return their affordable housing units, and one of the reasons they gave was that the social mix influence on their living environment was not as good as they expected.

'I find it's difficult to communicate and get along with re-settled housing households or migrants, probably because we have totally different backgrounds.'

(Abandoned purchase of affordable housing, female, 26-30)

'I don't like the living environment, too many re-settlement housing residents and migrants are living around there. I applied for this unit for my mum, and I feel it would be not safe for her. The main building door keeps opening, they put their stuff everywhere, and all of these things are not okay for me.'

(Resident of affordable housing (applied for returning unit), female, 31-35)

However, local government officers claimed social housing is not only to solve housing issues but it is also considered to play a role in social development and urbanisation. Improving social mix and keeping society stable are aspects that social housing planners need to consider.

'We're all different people, even in commercial housing communities, people all come from different backgrounds, but you could not just say: 'I don't want to live here because there are migrants or re-settlement housing households here.'

(Officer, Department of Social Housing of Yinchuan)

According to Yinchuan's local policies and the interviews conducted, after 2015 Yinchuan will apply supplement social housing community as the major form of social housing community.

'Residents of social housing can share public facilities, and developers have greater financial ability to build a better living environment than the government.'

(Officer, Department of Real Estate of Yinchuan)

Thus, according to the collected data, mixed forms of social housing communities will be the focus in future development, although single-type social housing communities will be developed if a high demand appears for one particular type of social housing, or if a new type of social housing is introduced in the future.

8.4 Quality, Size and Layout

Housing quality is a significant element that residents are concerned about, as it will influence their living experience in social housing. The size and layout of homes are important factors used to measure if the current housing situation meets the basic housing standard. Therefore, this section will discuss the quality, size and layout of social housing.

As claimed in the *Management Regulation of Social Housing of Yinchuan (Zhengfuling [2013] No. 2)*, social housing follows the principle of satisfying basic housing needs, such as small- to middle-sized units, full facilities, high quality, and safety. The essence of social housing is using less money to achieve residents' greater satisfaction.

8.4.1 Quality

The quality of social housing is required by local policy to reach the same standard as commercial housing. However, except from price-limited housing, the land for social housing is supplied for free and is exempt from taxes, while the profit made from a social housing project by a developer is controlled to some extent. For example, the local government uses the standard construction cost of commercial housing to calculate the construction costs for social housing projects, then it adds a certain amount for profit, such as up to 3% for affordable housing. Thus, considering the limited profit potential from social housing developments, one important issue is how to ensure the quality of social housing reaches the required standard.

During data collection for this research, it became clear that the quality of social housing includes a broader meaning than just the quality of construction. Some other elements also were considered as parts of quality, such as the quality of supplement facilities. According to local policies, there are some basic requirements of quality that social housing is supposed to meet:

- The construction standard of social housing is the same as for commercial housing.
- The same essential fittings must be fitted, such as thermal insulation. Local policies require that these essential fittings must be made from stable and long-lasting material. Drainage and smoke ventilator systems must be equipped as independent systems, and central heating is considered the most important essential facility.
- The design of social housing units must satisfy the minimal requirement of sunshine duration, and so the size of windows is controlled.
- Safety factors must be observed, such as the construction has to involve fire-resistant materials.

However, according to the collected data, different standards of quality can be seen across different social housing constructions. For example, as above mentioned, the quality of social housing is supposed to be the same as commercial housing, but the quality standards of commercial housing in the 1990s was different from today. Thus, the quality

standard of the Anju programme is different from current social housing. When the first Anju programme was constructed in Yinchuan, the ordinary construction standard of housing was a brick-concrete structure, and this was the case from the 1990s to the early 2000s. Hence, the construction structure of the example Anju programme examined in this research was brick-concrete structure.

From 2003, with the improvement in construction technology, a frame structure was more frequently employed in housing construction in Yinchuan and, thus, the brick-concrete construction was less often applied. However, because of the greater construction cost of the frame structure, early social housing still applied brick-concrete construction, such as Wuli Shuixiang. As construction technology improved, the cost of building using a frame structure reduced and it was employed as the standard for commercial housing construction, which meant it was also then applied to social housing construction. Since then, brick-concrete construction has not been used in social housing construction in Yinchuan.

Nonetheless, although this different construction structure was applied to social housing, the standard construction quality of social housing is continually adjusted according to the current quality standard of commercial housing.

‘We have guidelines about construction with standard quality for social housing during different periods [...], we ask developers to follow the guidelines of standard quality when constructing social housing, and after construction is completed, we also follow the guidelines to do acceptance checks.’

(Officer, Department of Social Housing of Yinchuan)

Photo 8-6 shows social housing construction from different times; picture 1 illustrates the Anju programme construction in the 1990s, using the brick-concrete structure, while picture 2 shows the construction of affordable housing in Wuli Shuixiang. Pictures 3-6 are of the newly constructed social housing that was completed by 2013.

For this group of pictures, it is possible to see that not only has the quality of the construction improved, but also that newly constructed social housing is equipped with

energy-saving equipment in order to reduce the living costs of household, such as solar power panels (see blue board, picture 6 of Photo 8-6).

Photo 8-6: Social Housing Construction, 1994 (picture 1), 2005 (picture 2) and 2013 (picture 3-6) (taken by author).



Additionally, in order to understand the residents' experience of social housing quality, this research involved interviewing residents who are living, or used to live, in social

housing units. Their reflections of quality are an important source to understand the quality situations in Yinchuan.

So although social housing communities were constructed during different periods, the quality standard improved and that enhanced the quality of social housing over time. When the brick-concrete structure housing of the Anju programme were visited in 2013, the buildings looked old and lacked maintenance outside (see picture 1 of Photo 8-6). However, the quality standard should not be compared across time, and the residents of the Anju programme claimed the quality at that time it was constructed was average.

'I can say that the quality of Anju housing was average in that period because, as far as I know, almost all the housing was brick-concrete structure [...] after living there around five to six years, quality issues appeared. In some places of the wall cracks had appeared, some wall paint has peeled off, and before I moved out, the window frame had gone out of shape [...] I'm current living in frame structure housing. The quality of it, I can say, is better than that of my previous Anju housing.'

(Resident of the Anju programme, female, 61-65)

From picture 1 of Photo 8-6, it is possible to see that the colour of facade has faded and turned mottled, and some of the window frames in most of the units have become out of shape.

Additionally, according to one local government officer, the frame structure was applied for some of the social housing construction in Yinchuan's first social housing community, Wuli Shuixiang. However, despite the quality of current social housing supposedly having improved beyond that of Anju housing, quality issues have also appeared in the current social housing units.

'After moving in here one year, slight cracks appeared on the wall [...] and I heard I'm not the only one [who has experienced this], some of the other residents have meet the same issue.'

(Resident of low-rent housing, female, 41-45)

'The sealing of my windows is not good. When my neighbours are cooking, the smoke comes into my kitchen [...] the water pipe of my toilet had leak once after I had moved in for half a year.'

(Resident of affordable housing, female, 51-55)

'I'm not living in my affordable housing unit because I feel the floor is too thin, it feels a little bit soft. It is cement floor, shouldn't be that soft.'

(Resident of affordable housing, male, 26-30)

'The unit I've been allocated is poor quality, I could pull down small pieces of plaster from the wall when it was just completed construction.'

(Resident of affordable housing, female, 31-35)

Indeed, some residents applied to return their affordable housing units because of poor quality.

'I applied and waited quite long time for it [an affordable housing unit], but I was very disappointed about its quality. When I got key, I went to my unit, and I found there was a crack on the wall, and pieces fell off from the wall when I touched the corner of the door frame [...] this quality is not okay for this price.'

(Resident of affordable housing, female, 31-35)

However, some of resident interviewees mentioned different circumstances about the quality of social housing.

'I heard someone had quality issues, like cracks on the wall, and one of my neighbours, who is living in the front building, the window frame had gone out of the shape, but I haven't had any quality issues since I moved in [2005], not even slight wall cracks.'

(Resident of Anju programme, male, 61-65)

'I moved into this unit in 2009, and I think the quality of this unit is quite good, no wall cracks, no water pipe leaks.'

(Resident of affordable housing, female, 26-30)

Meanwhile, one of interviewees was living in the same social housing community as another interviewee who had applied to return her affordable housing unit. This interviewee had had a different experience of quality.

'I think this unit is good, I did not find any quality issues yet. The toilet was blocked once but I don't think it was a quality issue.'

(Resident of low-rent housing, female, 26-30)

So, from these residents' reports, it is clear that people living in different buildings around the same community had different experiences of quality. A number of factors seem to contribute to this situation.

'We contracted different buildings of one social housing community to different construction teams, and the quality depends on the various conditions of the construction teams, such as their technical experience, and labour skills.'

(Officer, Department of Social Housing of Yinchuan)

'Local government formulated the budget to us at the very beginning of construction; however, with construction processing, things changed, such as the price of material and labour costs, or delay to pay fees. If the price increases, we have to either reduce costs or sustain losses in our business; if the price reduced, we could not only have guaranteed profit but also keep high quality.'

(Developer of social housing project)

Therefore, various quality exists within social housing constructions and that influences the living experiences of residents. Therefore, in order to ensure the quality of social housing construction reaches the required standard, the developer has to respond to any quality issues that develop in rental social housing within the first year after people move in.

‘We have a contract with the construction teams that says they have to respond to any quality issue in the first year and free of charge [...] after the first year, any quality issue will be managed by residents and the government, but this is only for public rental housing and low-rent housing.’

(Staff, property management of social housing community)

However, due to price-limited housing only representing a small amount of social housing construction in Yinchuan, it was not possible to identify residents of price-limited housing in social housing communities for interviews. Thus, resident interviewees of price-limited housing were included from price-limited housing communities. During these interviewees, no quality issues were complained about.

Photo 8-7: Price-limited Housing Communities (taken by author).



'I've not found any quality issues yet, since I moved in. I don't think it has any quality difference from commercial housing. I'm quite happy with this.'

(Resident of price-limited housing, female, 26-30)

'The quality of this housing is better than what I expected [...] I've heard and read news about the quality of social housing not being good, but this one is good, actually.'

(Resident of price-limited housing, male, 36-40)

During interviews, social housing supplement facilities were mentioned frequently by residents when they discussed quality issues. For example, central heating is the most important and essential facility that must be equipped in social housing units. Meanwhile, with the improvement of quality standards, while enhancing the living experience of residents, saving living costs for middle-to low-income households has to be considered as one factor when equipping internal facilities. For example, some of the new social housing communities have solar power on every unit to reduce the living costs for residents.

With social housing system improvement, various types of social housing were put forward for different groups of households. For rental social housing, developers are required to equip some basic facilities so that households can move in immediately, especially for public rental housing: walls must be painted and the floor must be polished, while basic facilities must include a toilet, sink, cooking stove, and energy-saving lamps. Some of the local employers mentioned that their units have to be equipped beds and some furniture so that their employees could live in them immediately.

'Public rental housing has the same requirement of basic facilities as low-rent housing, such as toilet, painted wall, sink, and residents only need to add some furniture.'

(Officer, Department of Social Housing of Jinfeng District)

'We equipped toilet, sink, solar heating system, wardrobe, and even bed for residents. They can even change the furniture if they like, but they need put them back when they quit from the unit.'

(Staff, property management of public rental housing community)

'When we moved in, the wall had been painted. A toilet, sink, and most basic facilities had been equipped, and we just added some furniture, like wardrobe and bed.'

(Resident of low-rent housing, female, 41-45)

So while it is required to equip basic facilities, such as a sink and toilet, in ownership social housing, there is no requirement for furniture, and walls are unpainted and floor are unpolished.

However, these supplement facilities may influence residents' living experiences if quality issues appear with them.

'We offer a solar heating system to each unit, but, to be honest, it doesn't work well in winter, and units located at the other side [shady side] of this building, they have to rely on electric heating rather than solar.'

(Staff, property management of social housing community)

'I'm living on the top floor, the heating is not as good as on other floors, the whole room is not warm enough in winter [...] I queried this situation, and the relevant department tried to improve it, but it is not very noticeable, so they reduced my central heating fee in half, but I still want a warmer room.'

(Resident of affordable housing, female, 26-30)

Furthermore, quality is not only discussed for housing construction but also is considered for facilities of social housing communities, such as garbage stations, exercise areas,

parking lots, and other public facilities. If a social housing community has a high proportion of disabled and elderly people, the community must also be equipped with additional facilities for these households. However, through observation in social housing communities it was possible to see that few communities included equipment for disabled people.

‘We’re lacking the equipment for this issue, especially in old social housing communities [...] it has improved over time, some of new social housing communities are equipped with lifts, which will provide great help for those [disabled] people.’

(Officer, Department of Social Housing of Yinchuan)

Consequently, in this research the quality of social housing covers a broader understanding than only the quality of construction, in that it also includes the equipment in the unit. Quality of social housing is one of the most significant elements residents were concerned about and it had the greatest effect on their living experience. However, some of their issues were not associated with quality but rather to property management, which will be discussed in a later section.

8.4.2 Size and layout

As mentioned in Chapter 6, according to the policies of *the Regulation of Low-rent Housing Management (2007)* and the *Regulation of Affordable Housing Management (2004)*, social housing units are mostly concentrated on medium- to small-size units that must reach the basic living standard. Hence, as above mentioned, the size of each type of social housing is: less than 70 m² for affordable housing, 30 m² to 50 m² for low-rent housing, less than 90 m² for price-limited housing, and 40 m² to 60 m² for public rental housing. Meanwhile, whatever the type of social housing, size or layout of unit, in order to ensure the basic living standard, each unit of social housing must have a bedroom, living room, kitchen and bathroom.

Just as quality standards improved with development, the minimum standard of floor space per capita has increased over time and this has influenced the standard size of social housing units. Due to incomplete data being held, it was not possible to find the exact

floor space of Anju housing in Yinchuan, but according to interviewees this was around 40-50 m². Thus, compared with current affordable housing units, the unit size has greatly increased.

However, although at the beginning of implementation one of the purposes of affordable housing was to help reach the national average floor space per capita, the primary purpose of social housing is to reach the basic housing needs rather than 'providing a big house'. For example, the floor space for affordable housing was designed to be around 60-80 m² when it was first introduced, but the floor space of affordable housing did not increase as living standards improved. Instead, the maximum floor space decreased to 70 m². According to a Yinchuan government officer, this was done to prevent people obtaining profit from their ownership of social housing because of the five-year policy. Thus, when price-limited housing was introduced, the floor space was limited to under 90 m².

'I think controlling floor space is a very necessary approach to ensure the function of social housing – that is, to supply a basic living place, especially ownership social housing. Residents will want to change to a bigger sized unit when their circumstances improve and when they want to enhance their living standards [...] Additionally, it can distinguish who needs it to live, and people won't to buy it as an investment because small-size units won't bring great profit.'

(Officer, Department of Social Housing of Yinchuan)

'The aim of social housing is to satisfy basic housing needs, or solve housing problems. We think 70 m² is enough for basic housing needs [...] in addition, controlling the floor space of ownership social housing is important. For me, bigger floor space, much more money. Thus, controlling the floor space of ownership social housing will be an effective approach to reduce the possibility of investment.'

(Officer, Department of Urbanisation and Development of Ningxia)

‘70 m², I think it can satisfy a very basic housing need for two or three people in a family, and it also could put off people who want to make affordable housing an investment.’

(Officer, Department of Social Housing of Yinchuan)

Compared with ownership social housing, the size and layout of rental social housing is different from ownership social housing in Yinchuan. As rental social housing is intended to satisfy basic housing needs, the size is smaller than ownership social housing, generally 30 m² to 50 m², with up to 60 m² for public rental housing.

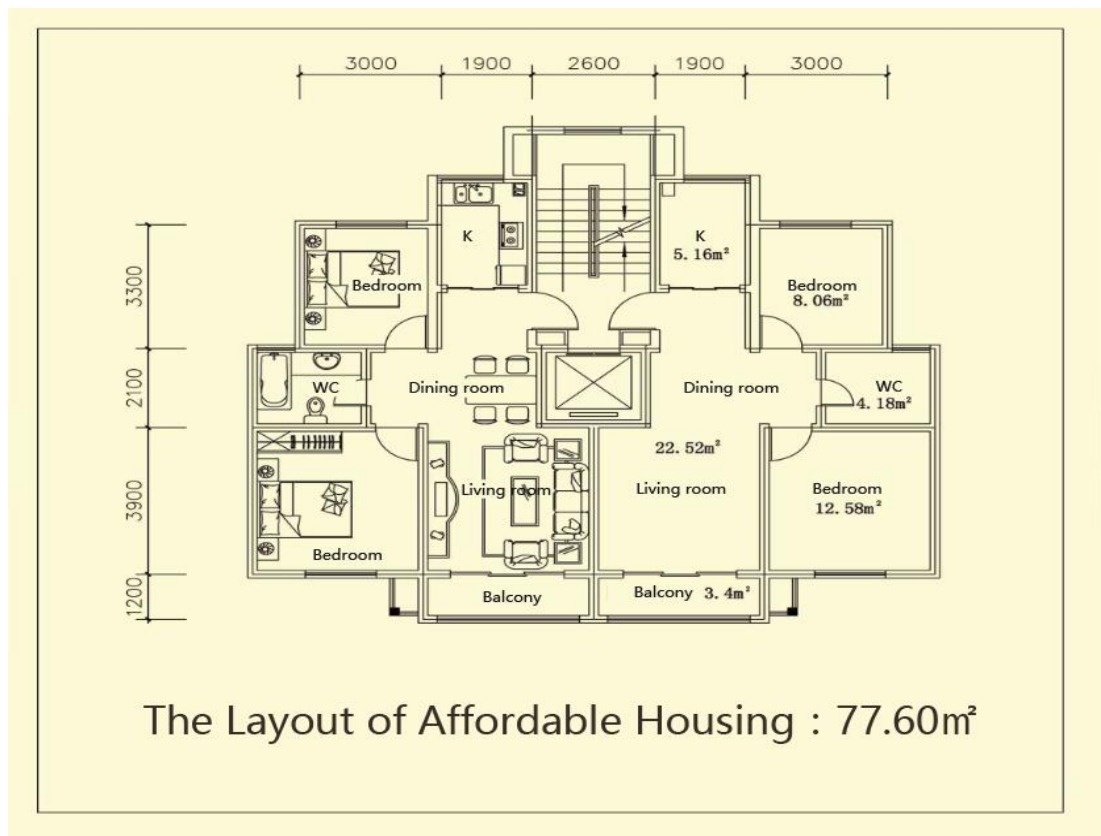
In China, the floor space calculation uses the actual usable space and the construction space, which includes the space in the walls and other internal construction space. The internal construction has not only to ensure it supplies the maximum usable space, but also must ensure future residents’ quality of living experience. In order to supply as much usable space in social housing as possible, central government requires that the proportion of usable space is greater than 70% of total floor space, at least not less than 65% (Cai & Wu, 2012). In Yinchuan, the usable space in social housing is maximised as much as possible in each unit.

‘Social housing is not aiming to obtain profit, we ask developers to supply usable space as much as possible in order that future social housing residents receive a better living experience.’

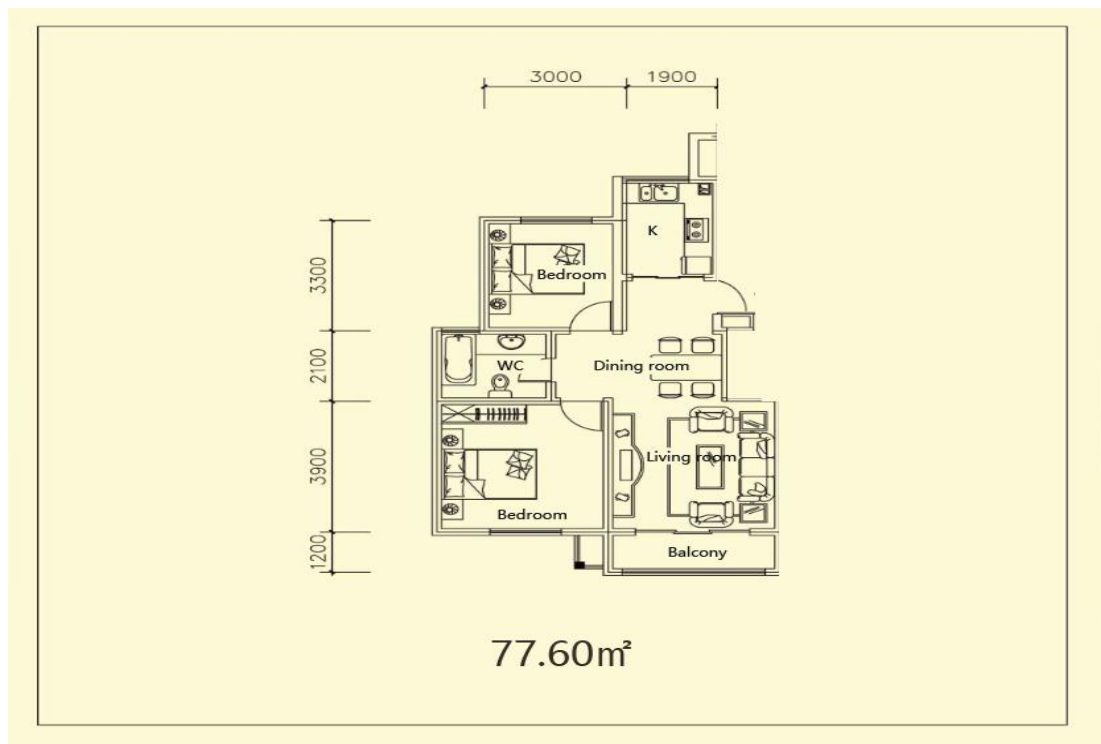
(Officer, Department of Urbanisation and Development of Ningxia)

Affordable housing and price-limited housing are designed for middle-income people and parts of the middle- to low-income group. These people desire a greater living standard, so the size of the ownership social housing aims to provide more than the basic standard. Hence, ownership social housing provides more generous unit sizes than rental social housing. The size and layout of affordable housing and price-limited housing is shown as below:

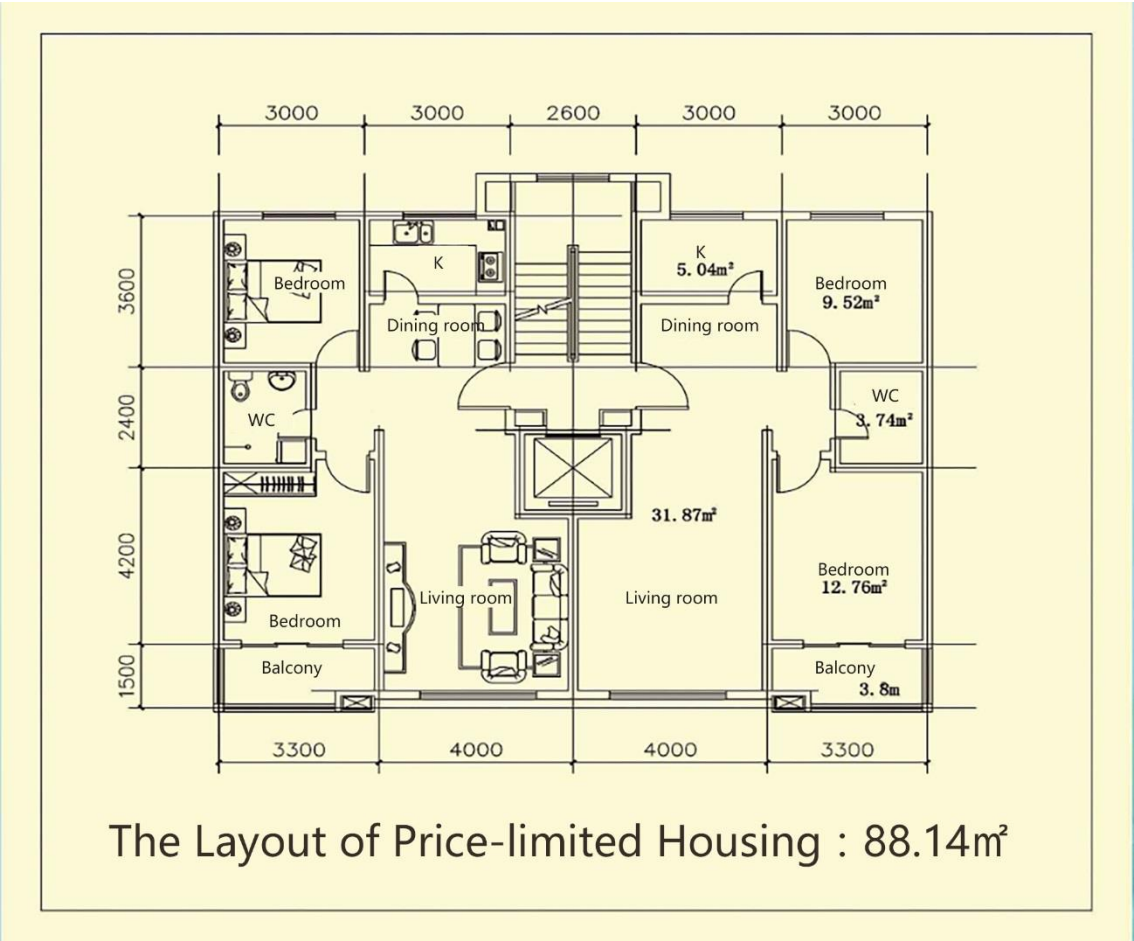
Layout 8-1: The Floor Layout of Affordable Housing in Yinchuan. Original source: Department of Social Housing of Yinchuan.



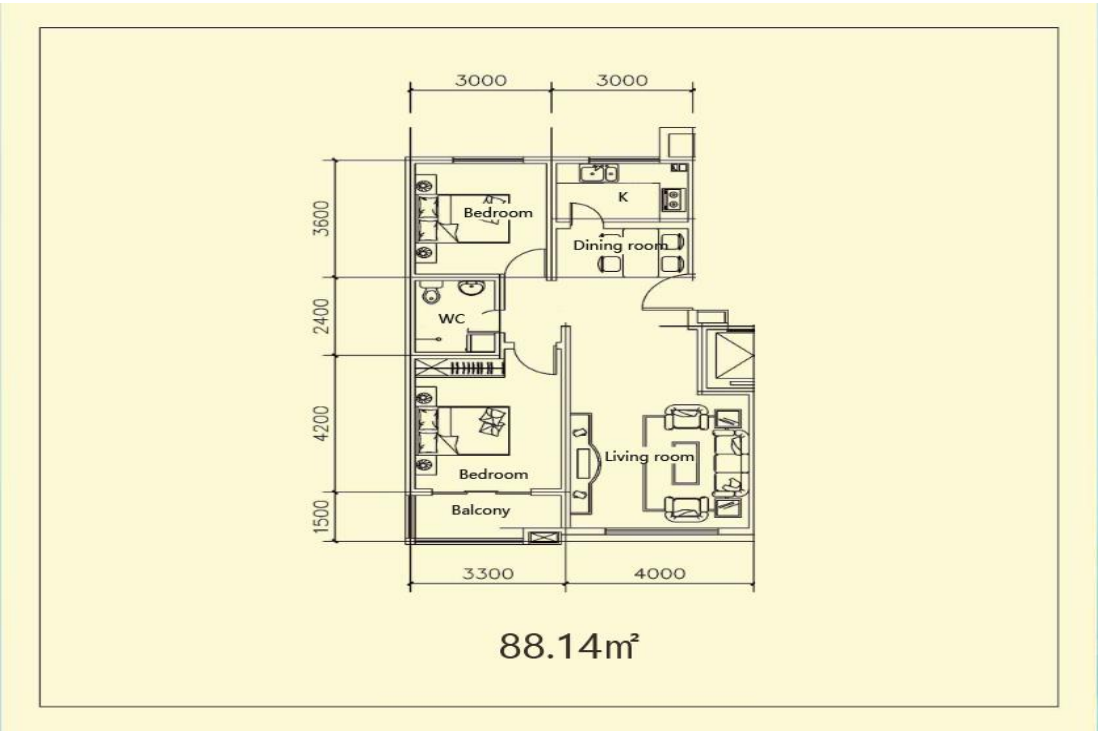
Layout 8-2: The General Size and Layout of Single Unit of Affordable Housing in Yinchuan. Original source: Department of Social Housing of Yinchuan.



Layout 8-3: The Floor Layout of Price-limited Housing. Original source: Department of Social Housing of Yinchuan.

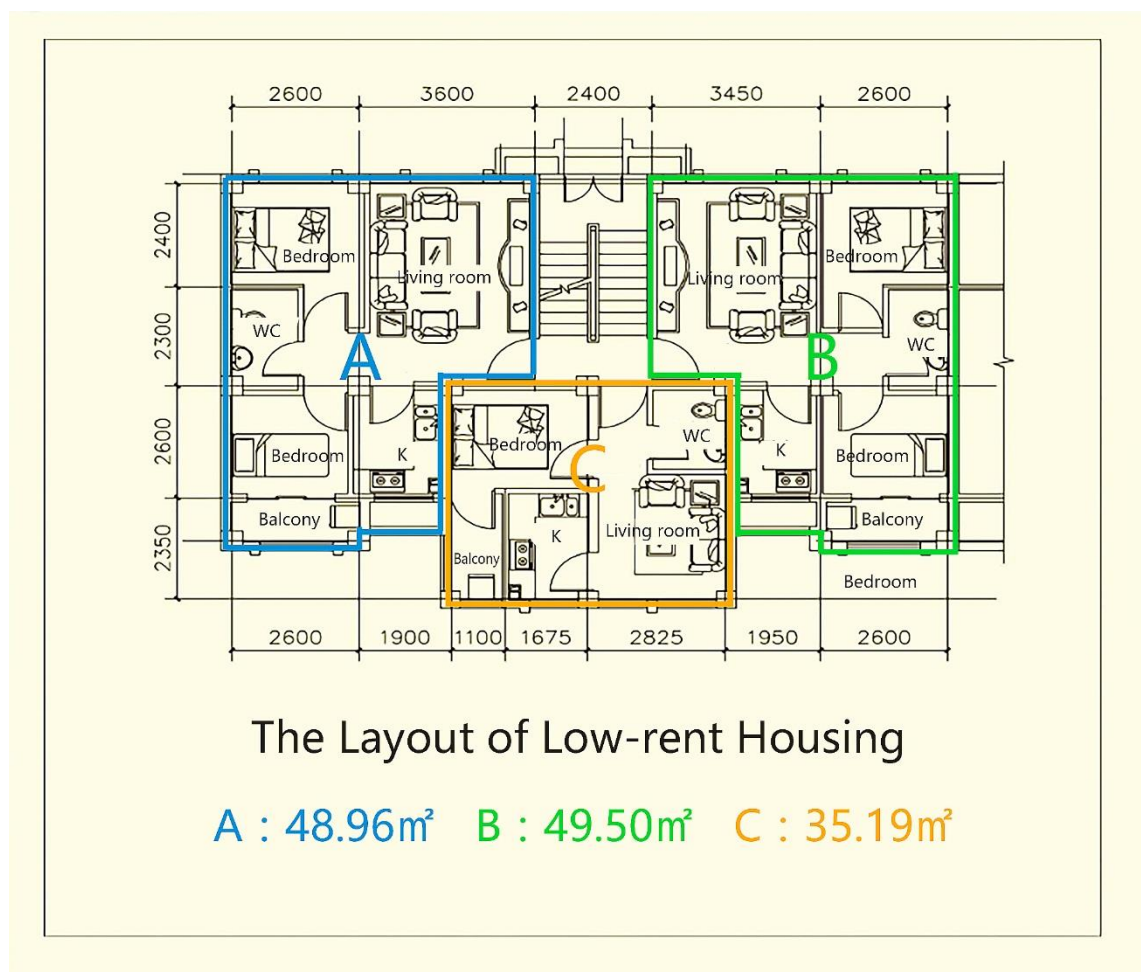


Layout 8-4: The Size and Layout of Single Unit of Price-limited Housing. Original source: Department of Social Housing of Yinchuan.



There layout pictures show the general size and layout that are employed for affordable housing and price-limited housing in Yinchuan. Due to considerations about sustainability and the target groups for ownership social housing, the size and layout is designed to satisfy the needs of a family of three, which generally means it has two bedrooms, a living room, individual bathroom and kitchen. However, in order to improve space utilisation, in some social housing buildings, each floor of corridor is allocated three units, and one of those units will have a smaller floor space and balcony. This layout is shown below:

Layout 8-5: The Floor Layout of Low-rent Housing. Original source: Department of Social Housing of Yinchuan.



This corridor layout is generally employed for rental social housing constructions, but some supplement social housing in commercial housing communities have used it too. This layout is for combining two bigger sized units (e.g. affordable housing) and one smaller sized unit (e.g. low-rent housing).

'This layout is applied when, firstly, low-rent housing and affordable housing has to share one building, or the floor space of the building for low-rent housing is the same as for affordable housing. We know the floor space of low-rent housing is smaller than affordable housing, thus, if each floor of corridor is designed for two units of affordable housing there will be three units of low-rent housing. Secondly, when affordable housing building is allocated in commercial housing communities, the commercial housing unit generally is around 100-120 m², so it is similar situation as I just explained, the floor space of two commercial housing units will be for three units of affordable housing.'

(Officer, Department of Social Housing of Yinchuan)

However, some of residents believe this layout, especially the smaller unit in between, influences their living standard.

'Three units share one floor, the middle unit does not have a balcony, so it will be lacking sunshine and damper than other two [...]. I wouldn't buy a unit like that if I was allocated to that.'

(Resident of affordable housing, male, 26-30)

In addition, there was another layout of affordable housing: affordable housing in rental social housing constructions. According to local housing provision, affordable housing and low-rent housing is mixed in one social housing community, as is most commonly found in social housing communities in Yinchuan, such as Wuli Hupan. Thus, there was a layout for affordable housing that was a two-layer unit on the top floor of low-rent housing buildings. For example, the first to fourth floors of a six-floor building were for low-rent housing units, and the fifth to sixth floors were for affordable housing units. However, the permitted floor space for low-rent housing units is less than for affordable housing units, thus, affordable housing units were designed as duplex apartments, the floor space of first floor was around 40 to 50 m², and second was around 20 m² to 30 m². Meanwhile, this layout is employed in other types of social housing.

This layout saved on the construction cost and space for developers and the government, but, some residents, who were living in those units, were not satisfied with this layout.

Photo 8-8: Lower Internal Roof (taken by author).



'I don't like this layout, it makes the available space smaller than ordinary layout, feels a little crowded [...] due to the higher floor of my unit, it is on the top floor, it is quite chill in winter [...] and actually, the higher floor of these units is kind of an attic, the roof is lower, thus the actual usable space of the second floor is not as much as we expected.'

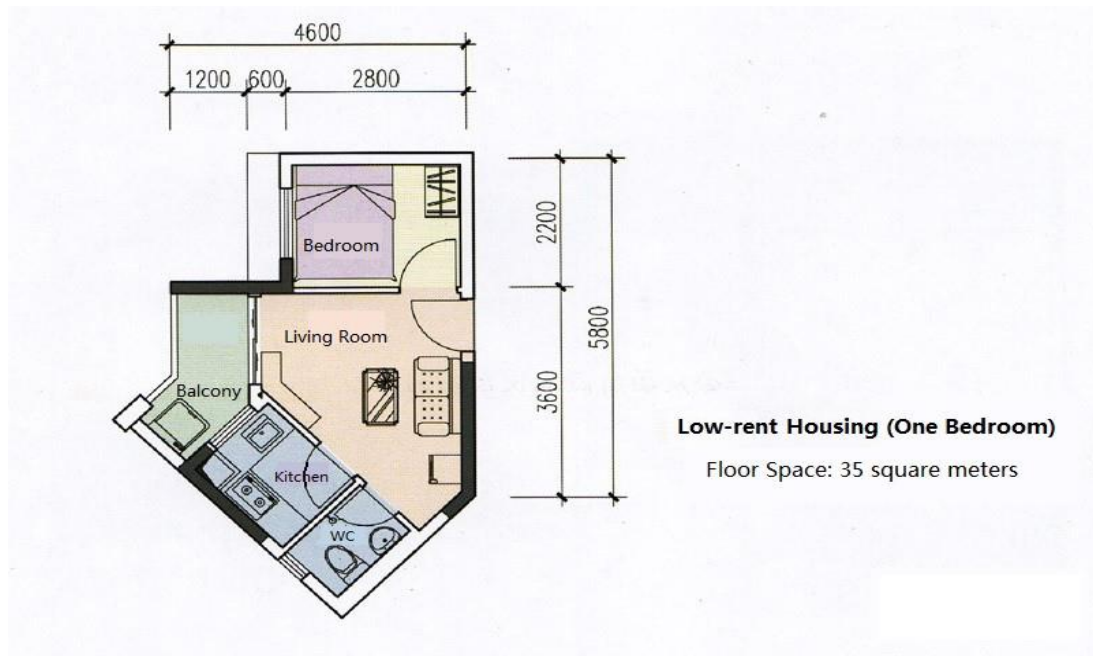
(Resident of affordable housing, female, 26-30)

Through visiting various social housing communities, this layout was observed in different communities but it was not the most common layout found. However, regardless which layout has been applied, the floor space of unit was no different from the standard floor space policy required.

As mentioned, the layout of ownership social housing is generally a two-bedroom unit. However, in rental social housing, two layouts are employed in Yinchuan.

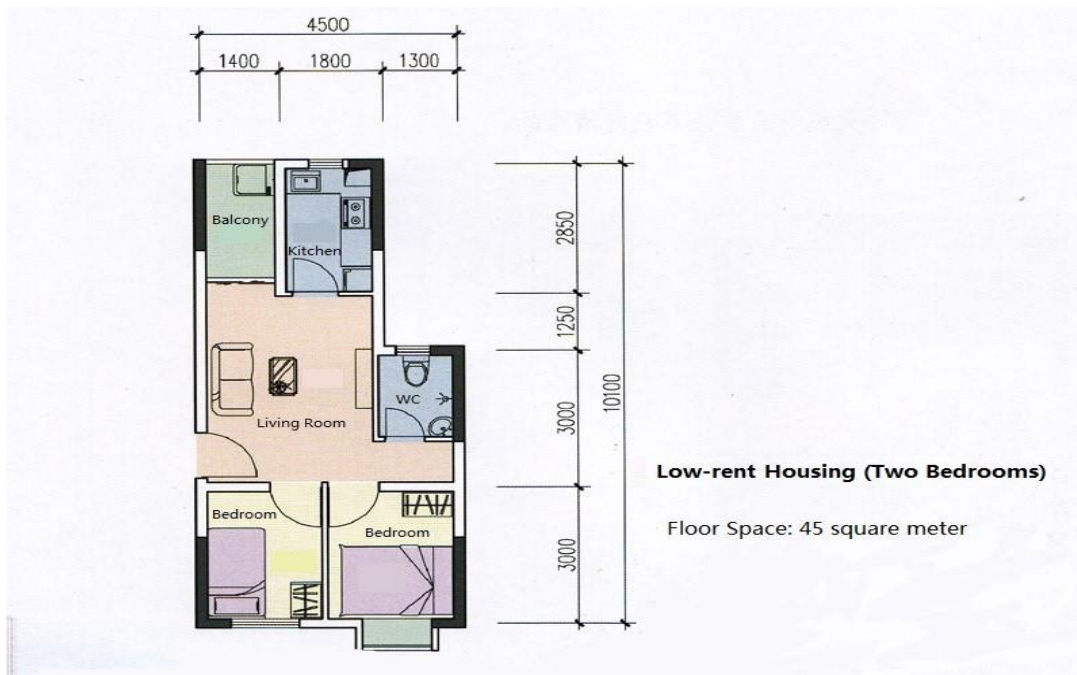
Firstly, if a unit is for a household of one person, the layout of rental social housing will only include one bedroom (Layout 8-6), and the floor space is around 35 m² (unit C in Layout 8-5). The single unit layout of low-rent housing is shown below:

Layout 8-6: Low-rent Housing Layout 1. Original source: www.Fang.com.

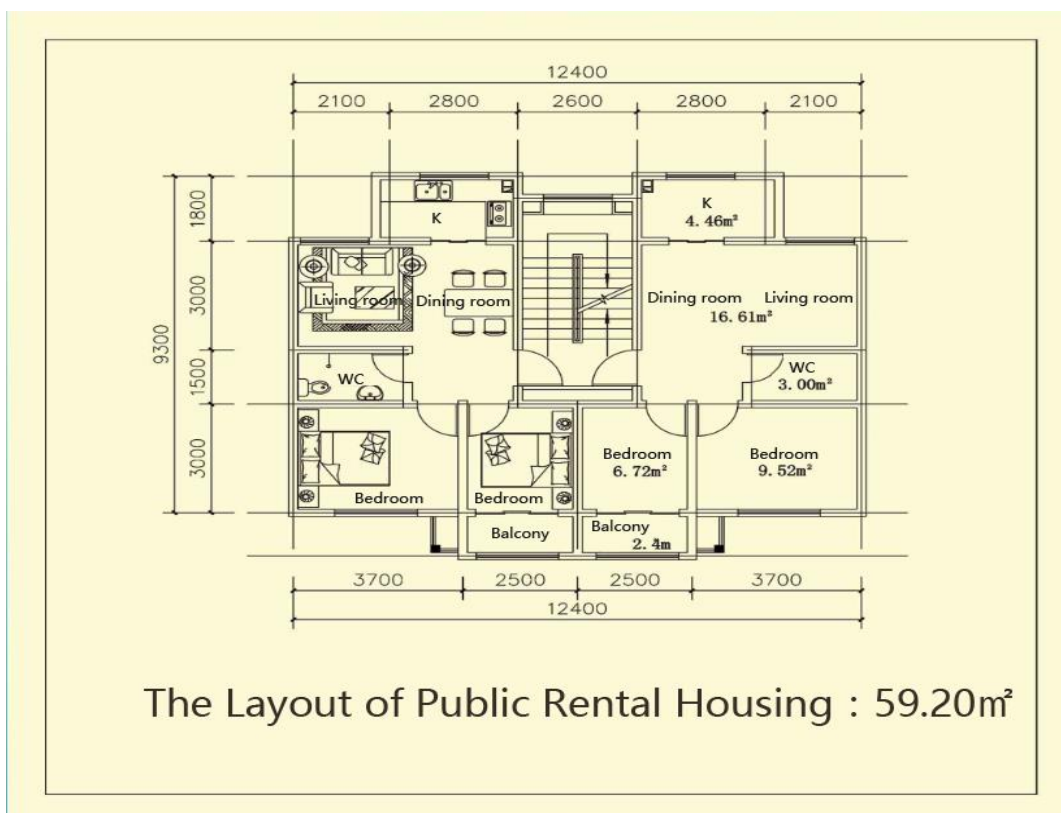


Another layout (Layout 8-7) is for households that have two or more people and these include two bedrooms. The layout of a single unit is shown below (units A and B in Layout 8-5):

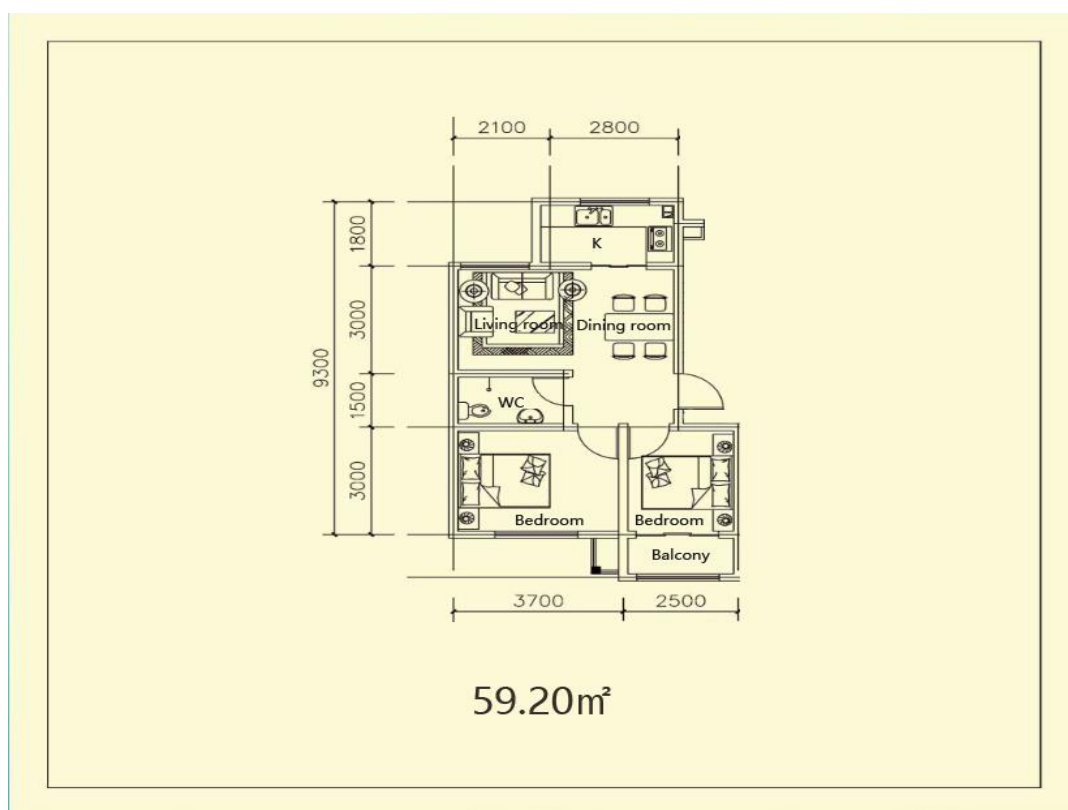
Layout 8-7: Low-rent Housing Layout 2. Original source: www.Fang.com.



Layout 8-8: The Floor Layout of Public Rental Housing. Original source: Department of Social Housing of Yinchuan.



Layout 8-9: The Layout of Single Unit of Public Rental Housing. Original source: Department of Social Housing of Yinchuan.



The size of the two-bedroom unit is more generous than the one-bedroom unit at around 45 m². Although this layout for two-bedroom units is the same as found in ownership social housing, the total floor space and bedroom size is smaller than found in ownership social housing.

However, the standard size of rental social housing, as reflected by residents, is that it is too small for a family that has more than three family members.

'My low-rent housing unit is 54.86 m², and there are five people living in it [...] I mentioned we were five people when I applied, but the largest unit is like this size [...] let me say, 80 m² would be better for five people.'

(Resident of low-rent housing, female, 26-30)

‘There are five people in our family, but this unit is only around 50 m², so, for now, our child is living with us, but our parents have to live in the house where we used to stay.’

(Resident of public rental housing, female, 31-35)

‘Our unit is 58.5 m², two bedroom, four people are in this unit [...] of course we want it to be larger, but it was the largest.’

(Resident of public rental housing, female, 31-35)

‘My child is living with me, but my husband is not working here, so only two of us are living in this unit [46 m²].’

(Resident of public rental housing, female, 26-30)

‘For now, only two of us, we don't have a child. 46 m², I think it's enough for us, but it probably will be crowded if we have a child.’

(Resident of public rental housing, couple, 26-30)

Additionally, there is a layout unit that is employed commonly in employer-developed public rental housing: dormitories. In practice, most applicants for public rental housing are migrants, who usually are single, or young couples. However, especially for single applicants, the one-bedroom unit is rare, and applicants will have to wait on the waiting list until a unit is available. In places with high concentrations of young migrants, employers do not meet the high demand for small-sized, or one-bedroom units. Hence, a dormitory layout is applied in parts of employer-developed public rental housing.

It was not possible to identify any interviewees who were living in a dormitory for this study, but the basic information about this layout of unit was provided by officers and property management staff. In a unit of this layout, several people will share a unit,¹⁷ and

¹⁷ The number of people is depends on the size of unit. In the PRH of Industry, the unit is designed to be shared by two people.

the beds could be bunkbeds or single beds. However, regardless how many people share one room, the floor space per capita is not allowed to be less than 15 m².

Therefore, the size of social housing has a strict standard for every type of social housing, but various layouts are employed for different purposes. Whatever layout is applied, the unit size of different types of social housing must reach this standard.

8.5 Property Management

In this research, resident interviewees frequently mentioned that property management was related to the quality of social housing. Furthermore, resident interviewees thought property management was closely related to their living experiences. Indeed, all the residents interviewed frequently mentioned issues related to repairs, as well as concerns regarding security and the living environment of communities. This section will focus on the property management of social housing communities, to explore how residents' experiences are influenced by property management, and the challenges of property management in practice.

As mentioned in the quality section, residents mentioned various quality issues that had appeared during their time living in social housing because of the quality differences between social housing constructions. Although one of the local government officers mentioned that construction teams were responsible for quality issues arising in the first year after completion, after the first year residents will need to pay a part of any repair fees. Thus, fees and repairs are both concerns to residents.

Repairs were mentioned frequently by residents when discussed quality issues, especially when there were issues with facilities. Property management is in charge of most management and maintenance issues for social housing communities, so residents must approach them if they encounter quality issues.

When quality issues are reported by residents, one of the most important jobs of property management is to offer to repair the issue promptly. However, according to some of the interviewees, they did not obtain prompt repairs.

'Our boiler has been working badly for a while, and we reported it to property management. They said they'll come to fix it, but, until now, still nobody has come, it's been a couple of months.'

(Resident of affordable housing, female, 26-30)

'The elevator on our corridor was out of order, it had been like that for a really long time, but they still charge us elevator fees [...] I mean it was really inconvenient, especially for residents living on the top floor [11 floors]. After we complained and pushed, finally someone came to fix it, but it took a really long time.'

(Resident of affordable housing, male, 26-30)

'Our corridor gate has been broken, it cannot be locked, and it has never been fixed. To be honest, it's unsafe.'

(Resident of public rental housing, female, 26-30)

From these interviews, residents showed that they were not satisfied with delays to repairs. However, property management staff answered these points in various ways.

'You can see this is a big community, we have to deal with lots of issues daily, such as property safety, cleaning, and gardening, not just repairing. In addition, if we get more than one report at the same time, we probably do not have enough staff to deal with it. So those residents have to wait [...] at busy times, waiting times will be even longer.'

(Staff, property management of social housing community)

Meanwhile, another member of the property management staff from a different community highlighted that working time clashes could also delay repairs.

'We deal with any issue as soon as possible when we get a report, I know many residents complain that we don't fix things promptly, but I think they do not realise we normally offer repairs during the day time. That's why some residents think we do not deal with their reports, because of repair time clashes with their working time.'

(Staff, property management of social housing community)

'One side of the screen window was broken. I reported it and they called me, said they would come to fix it, but we were out for work when they came; so, it's still not been fixed.'

(Resident of affordable housing, female, 31-35)

Meanwhile, some of the residents complained that property management did not fix damaged public facilities promptly.

'The door of our corridor is always open, and I noticed it was damaged for a while, but nobody repaired it. I talked to a member of the property management staff, but still no one came to repair it.'

(Resident of affordable housing, female, 26-30)

'The corridor door cannot be locked, no one came to fix it, it keeps opening, and I don't think it is good for safety.'

(Resident of public retail housing, female, 31-35)

The complaint of damaged corridor doors was mentioned in several of the communities that were visited. One property management staff member explained that some of the public facilities have been damaged by residents purposely, and property management have difficulty managing the repair and replacement.

'When it just damaged, our colleagues came to fix it, but it was broken again. For now, some of them are unrepairable [...] some residents come to complain about it [...] sometimes, it is not that we don't repair, someone destroyed these time and time again when we just fixed it.'

(Staff, property management of social housing community)

'I don't want to say it, but I have to, some of the residents have really bad habits, and no Suzhi.¹⁸ See this poster? CCTV caught this guy kicking this corridor door who is living in this community [...] some of public facilities are damaged, and unrepairable.'

(Staff, property management of social housing community)

This situations leads to another issue that residents often mentioned in interviews: security.

On visiting some of the social housing communities, the researcher found it easy to access communities and corridors because of security doors not closing properly, while others closed but did not lock. In addition, it was found that security facilities in some of the social housing communities had been equipped but not put into use. Some of residents mentioned that these security issues made them feel unsafe.

'Security is one of the reasons why I'm not living there [...] the corridor door is open all the time, the lock has been broken, and I don't know if it has been fixed or not, but, for me, I don't want to live in a unit like this.'

(Resident of affordable housing, male, 26-30)

Another resident from a different social housing community said:

¹⁸ Suzhi, to describe the day after the formation of living habits. Its formation is influenced by various elements, usually to describe an individual's action or habits. This is a comparative concept rather than an absolute concept.

'When I just moved in, property management gave me a card, and said I should swipe this card for access into this community. But it's never been used. The main gate of the community is open all the time, anybody can come in [...] sometimes, some people come and knock the door late at night, around 10pm, trying to sell something, and it makes me feel really unsafe.'

(Resident of public rental housing, female, 31-35)

When asked if this situation had been reported to property management, and if so what their response was, the interviewee said:

'I reported it, and I think other residents reported it as well, but the security told us they do not have a way to solve this issue, and they just put a poster up asking us to pay attention, nothing else.'

(Resident of public rental housing, female, 31-35)

When asked why they were not using the equipped security facilities, this staff said:

'We used it when this community was just completed, but it's been destroyed. For example, this railing is for stopping cars from driving into the community and there is another small gate for walking through, but some of them hold up the railing by hand and go through under it. We tried to stop them doing this, but next time, they still did this [...] it was repaired many times, and now it doesn't work anymore.'

(Staff, property management of public housing community)

On the same issue, property management staff often found security issues existed that were difficult to solve quickly.

'Most of the residents living here are migrants, they have different living habits from us. For example, we asked them to lock the corridor door every time they go in and out, but they never do this, and some of them even use a stone to block the door in order to keep it open [...] and some of the corridor doors have been damaged, unrepairable.'

(Staff, property management of public rental housing community)

In other social housing communities, similar situations exist. One manager in property management said:

'During my work, how to manage different people with different living habits is not easy for me. Social housing communities involve various people who have various income situations, educational backgrounds, and habits. For example, we have a parking area for bicycles, it is only 10 yuan/month. However, some of them don't want to pay this 10 yuan, and just park outside this place, or wherever they'd like [...] when their bicycles get lost or damaged, they come to us for reparation.'

(Staff, property management of social housing community)

'Some of the residents do not have good habits, like unlocking corridor door, which makes the rest of the residents feel unsafe and unorganised, especially affordable housing and price-limited housing residents, they paid more fees but don't get a better environment.'

(Staff, property management of social housing community)

'Those people who are living in low-rent housing have been taken care of better than us, they paid less rent and less property management fees but have service the same as ours [...] we paid our fees on time, but at the same time I don't obtain the service which I should have.'

(Resident of affordable housing, female, 26-30)

Thus, this leads to a third issue that resident mentioned in interviews: fees.

According to the collected data, residents expected property management to supply prompt repairing, good security and an organised living environment. However, most interviewees mentioned that they did not obtain what they expected or what they should obtain, but they had to pay property management fees that were 'not as cheap as expected'.

Some of the interviewees thought that as social housing was aimed at people who could not obtain housing on the market, their property management fees should be lower than for the commercial housing community. In addition, some of interviewees stated that the property management fees of a social housing community could make it unaffordable for some low-income people.

'For example, my elevator fee is 25 yuan/month to the second floor, and adding 5 yuan/month for each additional layer, but the commercial housing community my friend is currently living in only charges 20 yuan/month to the second floor, and adding 5 yuan/month for each additional layer as well [...] I don't know how much low-rent housing households pay for it. If it is the same as what I said, I think for me it's okay, but it will be too much for them.'

(Resident of affordable housing, male, 26-30)

It was not possible to identify any low-rent housing households in this community to explore how much they paid for this, but according to property management provisions, low-rent housing resident will have their fees reduced.

According to a member of the property management staff that was interviewed, compared with rental social housing households, ownership social housing households have greater affordability. Thus, the fees charged to residents of ownership social housing are different from those charged to those in rental social housing, especially low-rent housing residents. However, another contradiction was created by charging different fees for different types of social housing.

Compared with ownership social housing residents, rental social housing residents think that they should not have to pay repair fees as they do not own the unit they stay in. Thus, residents of rental social housing prefer relying on the government or property management to cover their repair fees.

'I'm living in low-rent housing that is different [from affordable housing]. I don't own this unit, I just rent it, and I don't want to pay repair fees because I will leave someday [...] I don't think we have responsibility for those quality issues, the government should build low-rent housing of a good quality, if not it should pay the fees.'

(Resident of low-rent housing, female, 41-45)

'My wall developed a crack after I had moved in for one year. I fixed it, but the crack has appeared again, I think property management should be responsible for this.'

(Resident of public rental housing, female, 31-35)

According to a member of the property management staff, residents of rental social housing are responsible for part of the repair fees when they have lived in a unit for over a year.

'Housing is a commodity, as with others, inevitably, it will be consumed when residents are living in them. So residents should pay for repair fees when issues appear, like pipes getting blocked [...] however, some of the residents think we should pay for it because the unit is not theirs.'

(Staff, property management of social housing community)

'I think sometimes the contradiction between resident and us is caused by different understandings. For example, some of the rental social housing residents think we should pay repairing fees; when we try to communicate with them, they probably just choose to refuse to pay fees [...] we want to improve our service and supply a better environment, but we need residents to cooperate with us.'

(Staff, property management of social housing community)

Thus, different understandings between households caused various living experiences of social housing.

8.6 Affordability

Another element of social housing residents were concerned about was affordability. While Chapter 6 explored the provision of rent and the price of each type of social housing in Yinchuan, this section combines location and quality to discuss the affordability of rent and the price of social housing in practice. As mentioned in the earlier sections, the quality of social housing has been improving over time. Anju housing was the first social housing and it was built using brick-concrete structure. As the price of Anju housing was not recorded, the major method of obtaining the price of Anju housing was from interviewees.

According to interviewees from the Anju housing mentioned, the price was lower than the average at that time. For example, the price of the Anju housing that was visited was only 400 yuan/m² around 1994. At the same time, the price of commercial housing at same location was around 700-900 yuan/m².

The first social housing community in Yinchuan, Wuli Shuixiang, is located in the Jinfeng district. This community involved two construction styles: brick-concrete and frame structure. According to local document, the Wuli Shuixiang affordable housing project had two phases: the first phase included nine buildings, four of nine were frame structure and the other five were brick-concrete structure; and the second phase had 13 buildings, all brick-concrete structure. Local document explained that the price depended on the difference in the construction structure: 1690 yuan/m² for brick-concrete structure unit, and 1,790 yuan/m² for a frame structure unit, but all the prices were lower than the price of commercial housing of the same quality in that period.

As in most cities in China, the price of commercial housing has been increasing sharply in Yinchuan. In 2009, the average price of commercial housing had grown to around 4,000 yuan/m². In this year, Wuli Hupan came into service. According to the interviews with local government officers, this community had a very small number of brick-concrete structure units (1,689 yuan/m²) and frame structure units (1,980 yuan/m²). Compared with the average price of commercial housing in the Jinfeng district, their price was more affordable than commercial housing.

'I bought an affordable housing unit in Wuli Hupan at the end of the 2008 – frame structure, top floor, around 1,900 yuan/m², which was cheaper than commercial housing is at that moment [...] even in Xixia district, or some very remote areas, the price of commercial housing was over 2,500 yuan/m² [...] although the price was slightly different because of the floor, but it [the unit she bought] was still really cheap.'

(Resident of affordable housing, female, 26-30)

'I applied in 2009, and bought in 2010, it was 2,380 yuan/m², and commercial housing was 3,880 yuan/m² in same year.'

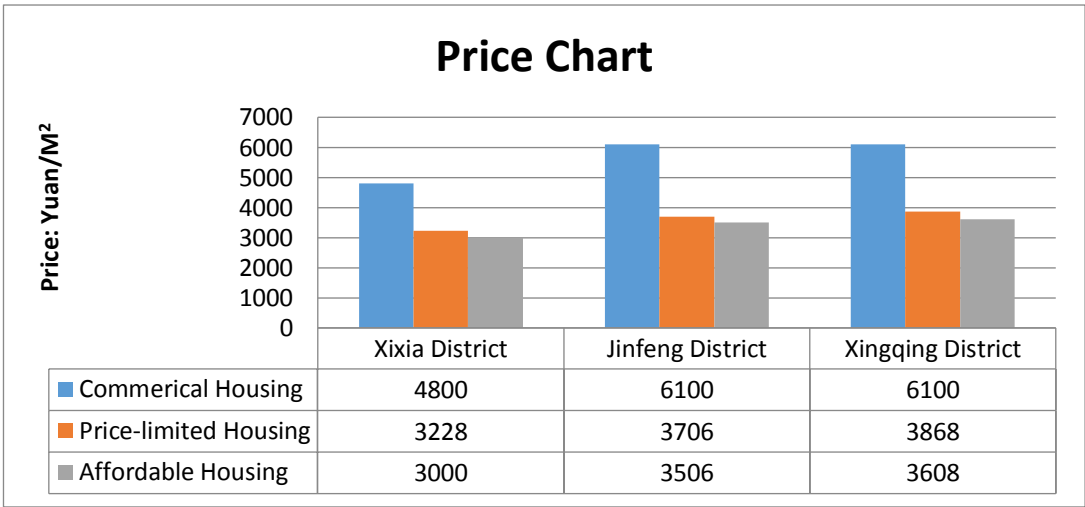
(Resident of affordable housing, male, 31-35)

The most significant element that influences the price of housing is location. In Diagram 8-2, commercial housing is concentrated in the Jinfeng and Xingqing districts, while

Xixia is relatively less urbanised and mostly contains industries and factories. This means that the Jinfeng and Xingqing districts have higher land value than in the Xixia district.

In addition, public facilities improvement and increasing commercial housing increases the value of the land. Thus, at same location, the price difference between commercial housing and ownership social housing can increase. Figure 8-1 shows the price difference between commercial housing, affordable housing, and price-limited housing in different districts. For example, the price difference between commercial housing and affordable housing was over 2,000 yuan/m² in the Jinfeng district in 2014. The Wuli social housing communities are located in Jinfeng district, which means if commercial housing is built around this area the price of commercial housing will be more than 2,000 yuan/m² higher than the price of affordable housing and price-limited housing. From this figure, the price of affordable housing and price-limit housing is around 70% of the price of commercial housing.

Figure 8-1: Price Contrast of Commercial Housing, Price-limited Housing, and Affordable Housing, 2014-2015 (made by author).



Additionally, there is a greater difference between the rent of market housing and rental social housing. According to Figure 6-2, the rent of public rental housing is adjusted by location so that it is the same as ownership social housing. The rent of public rental housing accounts for 30% of the average rent of market housing in same area.

However, the rent of low-rent housing is slightly different from public rental housing because the rent rate for low-rent housing does not change with location. As mentioned

before, the rent for low-rent housing is 10% of the rent of market housing in order to solve basic housing needs for lower-income people. According to an interviewee from local government, the rent for low-rent housing is adjusted by floors and the direction a unit faces, but not by much. The average rent was 1.6 yuan/m²/month by 2014 (see Figure 6-2).

Meanwhile, a family in very difficult circumstances will have a rent discount, such as disabled people, those with serious illnesses, or households experiencing very difficult financial circumstances. According to *Rent Standard of Low-rent Housing of 2013*, the average rent of a family in very difficult circumstance will be only 0.6 yuan/m²/month, which is less than 5% of the average rent of market housing in 2014.

According to price comparisons and the interviews, social housing is affordable to most middle- to low-income groups. Meanwhile, especially for low-income people and migrants, social housing means a considerable saving in living costs and it can improve their standard of living.

‘We used to rent housing on the market, a really poor place, it was self-built housing, no heating, no private toilet, and no hot water, just one bedroom that charged us 400 yuan/month [...] my husband and I only have around 2,000 yuan/month.’

(Resident of low-rent housing, female, 41-45)

‘We were renting a unit in the market as well, a flat, but a very old one, I think it was old public housing [...] the rent for that flat was much more expensive than low-rent housing, around 600 yuan/month in 2010 [...] and now, this unit (low-rent housing unit) [...] it is only around 80 yuan/month.’

(Resident of low-rent housing, female, 56-60)

'We had to share a two-bedroom flat with another couple, it was over 1,000 yuan/month total, but now it is only 300 yuan/month.'

(Resident of public rental housing, male, 26-30)

'We have five people in my family, and, before moving here, we were living in a very small unit, around 20 m², and 400 yuan/month [...] our current unit is around 55 m², and only around 100 yuan/month.'

(Resident of low-rent housing, female, 26-30)

Hence, whatever the type of social housing in Yinchuan, most social housing residents can afford it. Meanwhile, low prices and rent rates will save a considerable amount of living costs for social housing households, especially for lower-income households.

8.7 Overall Satisfaction of Social Housing

The aim of this chapter is to examine the experiences of social housing in Yinchuan, and to explore how well social housing meets the housing needs of local residents in Yinchuan. During the data collection for this research, it became clear that housing needs are varied. Through this discussion of the different elements of social housing in this chapter, it was found that residents' diverse expectations of social housing influenced their understanding of how well social housing met their housing needs. Every interviewee had different expectations of social housing; for example, some residents only wanted to solve their basic housing problems in order to have a place to live, but others looked forward to more. This section will focus on the residents interviewed as part of this research to explore their satisfaction with social housing and how well social housing meets their housing needs.

Chapter 7 outlined where the income thresholds for each type of social housing were set according to local housing policies. However, as the interviews revealed, residents with different incomes and varying housing issues had different expectations of social housing.

Location has been discussed as one of significant aspects of social housing, and some of the resident interviewees had expected to be allocated a unit in a better location. However,

because of various personal circumstances, there were different expectations for location, which was not relative with income circumstances as closely as the other elements.

According to local government officers, for the low-income to very low-income group, social housing is an effective approach to meet basic housing needs. These households are concentrated in rental social housing and a small amount in affordable housing, who used to rent housing from the market. Especially for some low-income migrants, they were used to living in housing with poor living conditions. During the interviews, the most frequently mentioned point mentioned by relatively low-income residents was that they saw it as *'having a place to live'*. These households did not have high expectations for social housing.

'I've moved more than ten times since I married, and I don't need to worry about moving again, I can live in this unit as long as I'm eligible.'

(Resident of low-rent housing, female, 41-45)

'For two of us, 50 m² is enough, and they clean [the community] every day. There's bus stops, and markets [...] for someone who is richer than us, they probably think this unit is too small, the community is too remote, but for us, I'm happy because we have a place to live.'

(Resident of low-rent housing, female, 56-60)

Meanwhile, these residents mentioned that social housing not only solved their basic housing needs but also improved their living standards. In contrast, compared with other aspects of social housing, location was less important for them.

'My work place is in Jinfeng district, but I think it's a personal issue. If I work in Xixia, or if I applied other unit which was in Jinfeng district, going to work won't be an issue.'

(Resident of affordable housing, female, 26-30)

'When I applied, I knew the location of this community, but it doesn't matter where it is, at last I have a place to live.'

(Resident of public rental housing, female, 31-35)

In addition, these interviewees mentioned that the quality, unit size and living environment of social housing was greatly improved over their previous accommodations. Meanwhile, especially for very low-income people and migrants, affordable rent and a lower cost of living improved their quality of life. Some opinions of residents included:

'I think the quality of this unit is good, the living environment is better than the previous one which I rented on the market [...] we used to rent housing on the market, just one bedroom, a really poor one, it was self-built housing, no heating, no private toilet, and no hot water, we had to use coal for heating and hot water was quite expensive.'

(Resident of low-rent housing, female, 41-45)

'This current one [55m² unit] is already much better than our previous one [...] we have central heating and hot water now [...] the community is organised, clean, it is good for me [...] in our previous places, nobody cleaned.'

(Resident of low-rent housing, female, 26-30)

'I pay 2,000 yuan/year, and I used to pay 400 yuan/month. The money we save we can spend on our child, he's in middle school, spending more than before, saving rent makes our lives easier'

(Resident of public rental housing, female, 31-35)

Thus, this section of residents had relatively high levels of satisfaction with their social housing. The main expectation of social housing from these households was that they were provided with a home to live in, which is also the primary and important purpose of social housing.

However, compared with those relatively low-income households, middle-income residents had relatively low satisfaction with social housing. These residents have larger incomes, or have been previously living in a good environment. They expect social housing to improve their living standards rather than just solving their basic housing needs. This middle-income group is concentrated in ownership social housing – price-limited housing and mostly in affordable housing. Among resident interviewees in this research, middle-income residents were used to renting market housing or had lived with their parents in relatively good living conditions. According to these interviewees, solving basic housing needs was not the major purpose of applying for social housing. For some of the young men, the main aim was to have a house prepared for marriage, and for some young women, they hoped that ownership of social housing could be an investment. For some middle-aged people, having ownership, or having long-term housing, was the primary purpose. These middle-income resident interviewees were used to living in commercial housing units. Thus, they used ownership social housing and commercial housing for comparison, using commercial housing as the standard to expect from ownership social housing, which could lead to less satisfaction with social housing. Thus, for these various reasons, this group had high expectations for social housing.

With regards to location, because the Yinchuan government announces the location of each social housing project when it starts to construct it, residents have general understanding of their location when they apply. According to the interviewees, they understood that the social housing community would not be built in a good location, and that the location of each social housing community was released once construction had

started. Thus, residents may prefer a better location, but it was not treated as a significant issue for those households who decided to apply.

However, apart from the aspect of location, there were three elements that middle-income people had higher expectations for. Firstly, quality was the most frequently mentioned complaint from residents who said they were not satisfied with their units. As mentioned above, some residents wanted to purchase an ownership social housing unit in the hope that it could be worth money. Hence, some interviewees had a high expectation for quality.

‘I bought this unit, I mean, this is probably my only housing in my life, and I wish it could have better quality.’

(Resident of affordable housing, male, 26-30)

‘The quality of this unit is not as good as I expected, small cracks appeared on the wall after I had moved in for one year.’

(Resident of affordable housing, male, 26-30)

‘I was living with my parents, it was an allocated work-unit housing, but I think the quality of that one is better than my current one.’

(Resident of affordable housing, male, 26-30)

However, except quality differences caused by different construction teams, varying opinions about unit quality influenced residents’ satisfaction with social housing. In this research, some interviewees from the same social housing community mentioned quality issues less often because of their different opinions about it.

'I used to live in a two-bedroom flat, which I rented on the market. It has a crack on the wall as well, and I don't think this is a quality issue, probably just not painted well.'

(Resident of affordable housing, female, 26-30)

'My husband is always saying our unit has quality issues because there are cracks on the wall, but my friend's commercial housing unit has wall cracks as well.'

(Resident of affordable housing, female, 26-30)

Secondly, for some young people, purchasing ownership social housing is about preparing a house for marriage. For forming a family, they expect better layout and a bigger size of social housing unit. Some of interviewees mentioned they wanted a bigger-sized unit as it would be beneficial to their future planning, such as for an increase in family size.

'I bought my unit as my marriage house. We haven't had a child yet, but we will, and I think it will be crowded when we have one. The living room is too small, there is limited space for children's activities.'

(Resident of affordable housing, male, 26-30)

'We're Hui, allowed to have two kids, we have a boy now, but our unit only has two bedrooms, if we had a girl it would be inconvenient to live.'

(Resident of affordable housing, female, 26-30)

'My unit is 66 m², it will be crowded if we have a child, I think 90-100 m² will be better [...] if we have two children, we definitely need to change to a bigger unit.'

(Resident of affordable housing, male, 26-30)

Thirdly, with rapid urbanisation, increasing landless peasants have been re-settled in urban areas, and re-settlement housing accounts for a large proportion of some new social housing communities. Hence, as mentioned in section 8.3, these households expect a better living environment, preferring to live with people who have similar living habits. Although it is seen as one of the purposes of social housing, some ownership social housing households do not agree with social mix. They believed different living habits (such as leaving the corridor gate open), high mobility (migrants), and different affordability (paying different fees for property management) created a complex and unorganised living environment that reduced their overall satisfaction with social housing. Furthermore, some households abandoned their purchase or applied to return ownership social housing because of circumstances related to social mix.

In general, relatively low-income residents or residents who used to have housing difficulties reported relatively high levels of satisfaction, as having a stable place to live was their major expectation for social housing. On the other hand, middle-income residents had high expectations and less satisfaction with social housing. They had various expectations for different aspects of social housing, as the meaning of the housing to them was not only a 'home to live in', but also the expectation for a better living environment.

8.8 Conclusion

Notwithstanding that there is no specific definition of 'housing needs', providing a 'home to live in' is the primary purpose of social housing and can be understood as how the housing needs of residents are met. This chapter drew on results obtained from interviews to discuss location, community forms and social mix, unit quality, size and layout, property management, affordability, and the overall satisfaction with social housing to explore how well social housing meets the housing needs of local residents in Yinchuan.

The findings of this chapter indicate that residents' experiences are an important approach to examine how well social housing works for them. With urbanisation and the development of social housing, all aspects of social housing have gone through varying improvements. Social housing communities are not only constructed as housing communities, but also play an important role in urbanisation in Yinchuan. Thus, with regards to the ease of the location for everyday living, social housing was allocated in

inconvenient locations when it was first completed and new social housing communities were not easy to access and inconvenient because of a lack of public facilities. However, it was improved by urbanisation and social housing communities increased the speed of urbanisation. Additionally, social housing communities were designed to be located in convenient places for work, although those communities were not convenient for everyday living.

Therefore, the location, quality, size and layout of social housing have improved over time. However, different construction teams involved in their construction caused uneven quality, even within the same social housing community. These quality issues affected the living experiences of households, but attention to quality from the authorities and the strict implementation of local policies has played a significant role in improving social housing quality. Meanwhile, closely related to the quality of social housing, the property management of social housing communities influences the living experience of residents, because property management forms one aspect of how they preserve their quality of life, such as ensuring repairs are completed on time and properly.

Meanwhile, the reduced rental rates and purchase price of social housing enhanced the living experiences of its residents. Especially for lower-income households, more affordable rent reduced their living costs, which made money available for improving their living standards in other ways.

These residents' experiences of living in social housing highlighted the aspects of social housing that they were most concerned about, which could influence their satisfaction with social housing. Meanwhile, various expectations were found to have influenced the living experiences of residents, which highlights some of the factors that the Yinchuan government should consider in the future. Indeed, these experiences should encourage the Yinchuan government to examine how they proceed with the next stages of social housing.

Meanwhile, social housing plays multiple roles in development, not only increasing the quantity of social housing units in order to meet demand, but also driving development in small areas and improving social mix. Community forms of social housing illustrate how they play a part in forming communities with better social mix, and they help to prevent slums forming. However, not every resident agrees with this. Apart from these

objective factors, personal expectations of social housing appears to be a major element that influences overall satisfaction. Relatively low-income residents have lower expectations and so high levels of satisfaction with social housing. The expectation of most of these residents is only to 'have a place to live', which meets the primary purpose of social housing. However, the middle-income group expects to improve their living standards through social housing. These high expectations are manifested in different aspects of social housing, including higher quality, bigger unit size, and a better living environment. Thus, they have higher expectations for social housing than relatively low-income groups, which resulted in their lower levels of satisfaction.

Following this discussion of residents' experiences of social housing, the next chapter brings together all the various aspects of social housing implementation in Yinchuan that have been discussed in the previous chapters and compares them with the functions and models of social housing in international context to analysis the functions and model of social housing in China, particularly western China, before drawing some conclusions on the evolution and challenges facing social housing in Yinchuan in the future.

Chapter 9: Conclusions on the Evolving Functions of Social Housing in Yinchuan – A Comparison with Western and other Asian Models

9.1 Introduction

This study set out to investigate the purpose, significance, and challenges of social housing implementation in western China, using the city of Yinchuan as a case study. This chapter reflects on each of the research questions that were initially posed, and then addresses how the study's overall aim was met. It also discusses how generalisable the findings from Yinchuan may be, and highlights the research's limitations. The chapter ends with a discussion of policy implications and how this thesis informs the future research agenda.

9.2 The Evolution of Social Housing Policy in Yinchuan

Based on the review of international social housing policies, it can be seen that social housing displays varying features in different countries around the world. In western countries, social housing is intended to address four functions: *supply function*, *wider affordability function*, *safety net function*, and *ambulance service function*. However, social housing in East Asian countries display different models from western countries, as they have progressed from a productivist model to a welfarist model. Social housing in western countries fulfils various functions in order to solve core housing problems in different historical eras, whereas social housing in East Asian countries is not only designed to address housing issues but also to play a significant role in boosting the economic development of the state.

Since the 1998 housing reform, social housing has experienced considerable development throughout China. This is also the case in Yinchuan, where social housing has gone through different stages of development alongside expanding urbanisation. These varying functions were designed to make it possible to address housing issues as they emerged in the city. To begin with, these models followed the 'productivist' model, also found in other East Asian countries, but increasingly they came to reflect elements of the western models too. Indeed, four types of social housing were implemented successively in Yinchuan in order to cover a wide range of households, from middle-income to lowest-income households, including local residents and migrants – namely *affordable housing*,

low-rent housing, *price-limited housing* and *public rental housing*. Therefore, this thesis discussed the practical implementation of social housing policy, as well as the housing needs of local residents, in order to identify some aspects of social housing policy evolution in China, with a particular focus on the west of the country.

9.2.1 Functions under the productivist model

Several housing reforms have been adopted in China in order to address various housing issues as they have arisen. As is seen in other East Asian countries, early social housing in Yinchuan followed the productivist model. The main feature of productivist welfare capitalism is ‘a growth-oriented state and subordination of all aspects of state policy, including social policy, to economic/industrial objectives’ (Holliday, 2000, p. 709). In other words, economic development is a central part of the productivist model. As the first form of social housing, the *Anju housing programme* was designed for middle-income households and provided shared ownership. However, it did not play a central role in the 1990s because most employees relied on work-unit housing to solve their housing problems. Furthermore, although the price was lower than the market price, the *Anju programme* did not include the lowest-income households in its target group. Thus, the working class were the major beneficiaries of this type of social housing at this time.

Following the 1998 housing reform, Yinchuan entered a period of ‘predominantly commercial housing market with social housing’ (MacLennan et al., 2014, p. 41), because the local government sold land to private developers to obtain profit for future social housing construction. So, although *affordable housing* and *low-rent housing* were introduced at the same time, the emphasis of *affordable housing* during this period was to develop and construct in order to increase home-ownership among middle-income households and for economic purposes. From 1998 to the mid-2000s, *affordable housing* played multiple roles in the development of Yinchuan:

- Firstly, the initial purpose of *affordable housing* was to meet the rapidly expanding housing needs of middle- to low-income households following the end of the construction and allocation of work units.
- Secondly, it encouraged middle-income households to become homeowners to solve their housing issues for the long term, so solving this group’s housing

problems first. Meanwhile, the government sold *affordable housing* to raise funds for future social housing construction.

- Thirdly, *affordable housing* improved the process of urbanisation. Building *affordable housing* communities improved the development of some parts of the city by attracting private developers of commercial housing to build in the surrounding area, leading to greater urbanisation and development in less densely populated areas.

Therefore, similar to the development model found in some other East Asian countries, at the early stage of social housing implementation, as in most Chinese cities, Yinchuan encouraged middle-income households to obtain home-ownership, meaning that ownership social housing (*affordable housing* and *price-limited housing*) was the primary focus of development. Meanwhile, ownership social housing played multiple roles beyond solving housing issues as it also contributed to future social housing development and local urbanisation. However, in this period of focusing on economic growth, *low-rent housing* was not developed on any scale because *affordable housing* was the primary emphasis. Furthermore, due to financial difficulties, the Yinchuan government was not able to undertake the large-scale construction of *low-rent housing*. Thus, at this stage, ownership social housing experienced greater development than rental social housing (*low-rent housing* and *public rental housing*).

The wider affordability function of social rented housing in many European countries is designed 'to make good quality housing more affordable' (Fitzpatrick & Stephens, 2007, p. 23). Thus, *affordable housing* in China displays some of the characteristics of the wider affordability function, as it aims to provide long-term quality housing to middle-income households, although it does not cover the lowest-income people. However, Yinchuan did not have a large stock of social housing when it began implementing *affordable housing*, nor the means to provide financial support to a wide range of people. Thus, the large-scale construction of *affordable housing* was adopted in order to increase housing stock.

Meanwhile, *low-rent housing* was introduced with *affordable housing* in order to solve the housing issues of the lowest-income households. Different from *affordable housing*, as one form of rental social housing, *low-rent housing* aims to provide temporary

accommodation to the neediest households, intending to cover only 10%-15% of urban residents, and with priority provided to vulnerable people, such as the elderly or disabled, through the provision of either housing units or demand-side subsidies. Thus, *low-rent housing* fulfills the ‘ambulance service’ function, as it is designed to provide social housing to eligible lowest-income households for the short term, and is targeted towards people in emergency circumstances. In addition to tight access thresholds, households must vacate units if they are no longer eligible, i.e. when their circumstances improve.

Therefore, *affordable housing* and *low-rent housing* fulfil varying functions for different types of households. However, *low-rent housing* did not receive sufficient attention while affordable housing was developed vigorously, meaning that there were only a small number of re-buy units (e.g. old work-unit housing units) and demand-side subsidies made available. Thus, to some extent, the overall approach to social housing displayed the characteristics of the wider affordability function from 1998 until the middle of the 2000s. This approach was not only applied in Yinchuan, but was also employed nationally throughout China. It displays several features of the productivist model, as it aims to increase home-ownership to help enhance economic development. Under the productivist model, the feature of focusing on housing middle-income households in China is similar to the wider affordability function found in some western countries.

However, several aspects of social housing implementation in Yinchuan do not completely fit with the wider affordability function:

- Firstly, the wider affordability function in western countries was aimed at a broad range of residents, meaning that access to social rented housing was even available to higher-income groups. However, although *affordable housing* was designed to assist 80% of urban residents, the tight thresholds for applicants, especially regarding their income, meant that high-income households were not able to access this.
- Secondly, the wider affordability function is most common in countries that have relatively low poverty rates, such as the Netherlands, and it is mostly for ‘mainstream accommodation’, although it may not cover the poorest and most vulnerable people. For example, some social landlords in France have been unwilling to supply housing to the poorest residents (Stephens, et al., 2002).

However, *affordable housing* in Yinchuan fulfilled the most important role of social housing during the early stages of social housing implementation, as *low-rent housing* covered the lowest income and most vulnerable urban households. Although the new construction of *low-rent housing* lagged behind *affordable housing* construction, demand-side subsidies were provided to eligible residents in urban poverty.

- Thirdly, as housing did not meet the increasing demand for social housing, a ‘needs-based’ system was applied to identify eligibility and a lottery was used to allocate social housing units to eligible households. Although social housing in Yinchuan was designed for a relatively wide range of households, it actually did not achieve the purpose of the wider affordability function in that it did not cover a range of residents as wide as the wider affordability function does.

Therefore, ownership social housing went through rapid development during the productivist period that played a leading role in the social housing system. *Affordable housing* and *low-rent housing* applied different functions in order to cover households that had different income levels, but low-income people did not obtain appropriate protection through social housing from 1998 through to the early 2000s.

Furthermore, another feature of the productivist model can be identified in the development model in Yinchuan. According to residents’ experiences of social housing, their needs were not met well when social housing communities first came into service, which were usually allocated in remote areas. In fact, for development purposes, social housing was constructed as a booster to drive urbanisation, meaning that constructing social housing communities attracted people and developers to an area. However, this approach did not consider residents’ actual needs and expectations, such as the fact that the remote allocation of units caused other problems, including increased living costs. Hence, *affordable housing* provided home-ownership to middle-income households, but it failed to meet residents’ expectations.

With the development of *affordable housing*, increasingly it was possible to house middle- to low-income households. However, housing difficulties for low-income households became increasingly significant around 2008 to 2009 in Yinchuan. As a limited number of *low-rent housing* units were allocated to the households in the greatest

difficulty, increasingly high house prices and rental rates made the government realise that demand-side subsidies were not sufficient to solve the housing difficulties for low-income households. Furthermore, the shortage of *low-rent housing* units increased the housing problems associated with urban poverty. Thus, new large-scale construction of social housing focused on providing *low-rent housing* rather than *affordable housing* throughout 2009 and 2010.

Nonetheless, the massive-scale construction of *low-rent housing* did not mean that the overall social housing function in Yinchuan changed from the wider affordability function to the ambulance service function, rather that it started to form a safety net for a wide range of urban households. The feature of forming a safety net was expressed with the introduction of two new types of social housing: *price-limited housing* and *public rental housing*. The aim of introducing *price-limited housing* and *public rental housing* was to provide social housing to a broader range of people and to address the emerging housing issues facing ‘sandwich groups’, which were the result of economic development and population structure changes. As one feature of ownership social housing, *price-limited housing* was designed to extend the coverage of *affordable housing* by providing ownership social housing to higher-income sandwich households who were not able to afford commercial housing but were also ineligible for *affordable housing*. Therefore, it is distinctly identified as playing a wider affordability function as *affordable housing*. However, the function of *public rental housing* is not easy to identify as fulfilling a single function.

As one form of rental social housing, initially public rental housing was only aimed at lower ‘sandwich group’ residents, local residents who were unable to afford affordable housing but were also ineligible for low-rent housing, as well as providing short-term housing for migrants. Compared with the higher sandwich group, the lower sandwich group experiences more significant housing issues, especially since the number of migrants has grown substantially in urban China. Thus, solving the housing issues of vulnerable people (including low-paid migrants) is the most fundamental and essential purpose that social housing has to address. Thus, from 2012, Yinchuan constructed large-scale public rental housing to cover the lower sandwich group. From the start of the vigorous development of public rental housing, social housing started to display some features of the welfarist model rather than only the productivist model.

9.2.2 *Functions under the welfarist model*

With the improvement of the social housing system, a wider range of households were covered by social housing and the model started shifting towards the welfarist model, especially with the implementation of *public rental housing*. Indeed, *public rental housing* plays an important role in the social housing system as it addresses the housing issues of a wider range of low-income households, including migrants. As with *low-rent housing*, *public rental housing* displays some characteristics of the ambulance service function, such as providing short-term housing units and processing eviction procedures once tenants are no longer eligible. However, due to the thresholds for *public rental housing* not being as tight as for *low-rent housing*, residents with emergency circumstances can access *public rental housing* more easily than *low-rent housing*.

The expanding coverage of *public rental housing*, from low-income to middle-income households, indicates that *public rental housing* in Yinchuan has functions beyond the ambulance service function. *Public rental housing* fills the gaps between *affordable housing*, *low-rent housing*, and *price-limited housing*, and it is available to residents in transitional periods, such as to those on the waiting list to apply for other types of social housing. Thus, *public rental housing* is classified as improving the overall social housing system to create a safety net for a wider range of residents, rather than only performing a single simple function.

Over time, due to the increasing quantity of social housing dwellings, supply and demand have become more balanced, so the Yinchuan government slowed down the construction of social housing from 2015. Thenceforth, the emphasis shifted from focusing on quantity to improving the living quality of residents. Indeed, residents' experiences of social housing showed that their living standards did improve, especially for low-income and migrant households. With urbanisation and economic development in Yinchuan, the location of social housing communities improved and increasingly more convenient locations have been selected for social housing construction, especially for *public rental housing*, such as places that are easy to access or near places with a high concentration of migrants. This is one indication that social housing has started to focus on improving residents' living standards, rather than simply solving their housing issues.

Meanwhile, with supply and demand becoming more balanced, the allocation system for social housing has changed, which is also closely associated with the function of social housing. With increasing social housing stock, except for *low-rent housing*, a ‘choice-based’ system replaced a ‘needs-based’ system as the allocation system for social housing in Yinchuan. Especially after the sources of housing stock for *low-rent housing* and *public rental housing* were merged, it became increasingly possible for residents to enjoy a greater quality of living standard, such as flexibility of choice with regards to unit location or size. Thus, social housing in Yinchuan now displays more welfarist than productivist features.

As a development from the early stages of social housing implementation, rental social housing is now a major type of social housing, and *public rental housing*, particularly, will be the focus of future developments. This shift can be explained by considering the circumstances that gradually led to the emphasis movement away from ownership social housing towards rental social housing.

- Firstly, the demand for ownership decreased. As mentioned by Stephens (2008), a high home-ownership or private-rental level results in fewer properties in social housing occupation. With increasing numbers of middle-income residents being housed by ownership social housing, the demand was not as great as it was during the early stages of implementation.
- Secondly, the core housing issue changed to focus on solving the housing issues of low-income residents and increasingly also migrants. With the coverage extension of public rental housing and merged rental housing sources, all social housing eligible households could rely on *public rental housing* to solve their housing issues. However, the Hukou limits migrants from accessing ownership social housing in Yinchuan. Thus, *public rental housing* as short-term social housing is not only more flexible than ownership social housing, but also covers the migrants, who will play an essential role in the city’s future development.
- Thirdly, rental social housing ensures the basic purpose of social housing: to satisfy basic housing needs. However, the five-year policy of social housing ownership created the possibility of investment opportunities. From interviews with residents in Yinchuan, it was discovered that investment was one of the reasons that they

purchased ownership social housing, while rental social housing addressed basic housing needs in a more effective way. Thus, it has been suggested by some that the construction of ownership social housing should be reduced or completely stopped in some areas, such as in Wuhan (Ding, 2011).

At present, *public rental housing* in Yinchuan is the most significant type of social housing and it displays some welfarist model features: covering a wide range of residents, including both local registered people and migrants, from middle-income households to the most vulnerable people, and even particular specific groups. However, some people, such as key workers (e.g. sanitation workers), are covered by *public rental housing*, which displays features of the productivist model, in an attempt to retain these key workers for the city's development. For example, besides *public rental housing* for the 'talented professionals programme', 830 units of *public rental housing* have been allotted for sanitation workers, where they are only charged rent at the rate of low-rent housing, and another 2,000 *public rental housing* units will come into service as sanitation workers' flats between 2014 and 2018. These schemes not only aim at solving housing problems but also at improving housing conditions for these key workers. Thus, these schemes are considered as serving economic purposes, while expanding the coverage of *public rental housing* is regarded as forming a safety net of social housing, which is a feature of the welfarist model

Although *public rental housing* will be the focus of social housing in the future, ownership social housing as an approach to providing long-term housing for middle-income households remains an important part of the safety net. Thus, at present, ownership social housing is an indispensable part of the social housing system and more units will be constructed if demand increases in the future. However, differing from the safety net function in the UK, which 'encourages tenants to stay, whatever their social and economic circumstances' (Murie, 1997, p. 444, cited by Fitzpatrick & Pawson, 2014, p. 601), rental social housing households in Yinchuan face eviction processes when they are no longer eligible.

In terms of the ownership of social housing, households can sell their units after they have owned them for five years, although once the unit has been sold on the open market it is no longer treated as social housing and households are not eligible to apply for any type of social housing for a period of years. For rental social housing, tenants must leave their

current units when they are no longer eligible, so that emptied rental social housing can be allocated to other eligible residents. In the same way, subsidised *low-rent housing* tenants will stop receiving their demand-side subsidies if they are no longer eligible.

Therefore, *affordable housing* was used as an approach to boost economic growth and key workers were identified as a target group for *public rental housing*, so displaying a feature of the productivist model, but the social housing system can be observed to be moving towards a welfarist model, as has happened in other East Asian countries. Meanwhile, under the welfarist model, the function of the social housing system in Yinchuan can be seen to have fulfilled multiple functions, rather than a single one, as social housing applies hierarchical protection to households with different incomes. The social housing system in Yinchuan can be regarded as performing the safety net function, but each type of social housing fulfils a different function to protect target groups. Therefore, ownership social housing demonstrates the wider affordability function in providing long-term housing to middle-income urban residents; *low-rent housing* displays the ambulance service function by housing the most vulnerable households by delivering housing units or demand-side subsidies; and *public rental housing* covers both local residents and migrants to improve the overall social housing system in Yinchuan, forming a safety net to ensure every needy household is covered.

9.3 The Future Challenges for Social Housing

Social housing in Yinchuan has seen many developments during the implementation of social housing policies, which were designed to address real-time core housing issues as they arose. This research highlighted that there will be further challenges that social housing has to face in the future, not only in Yinchuan but also across China, and particularly in western China.

9.3.1 Providing social housing

With the shift of focus in social housing development moving from ownership to rental, *low-rent housing* provides housing support in two ways: housing units and demand-side subsidies. With this more recent shift in emphasis, the role demand-side subsidies play is becoming increasingly important.

During a review of the literature examining Chinese social housing policies, it was shown that *low-rent housing* was provided via demand-side subsidies more frequently than by providing housing units. Meanwhile, in Yinchuan, some government officers mentioned that demand-side subsidies are more flexible than subsidised housing units, as it is easy to process the exit procedure when households are no longer eligible. Demand-side subsidies does not ease the shortage in *low-rent housing* units, but they make housing more affordable to tenants in receipt of the subsidy. Demand-side subsidies are effective for housing people who are in need when there are not enough units of *low-rent housing* to meet demand. Indeed, it could be argued that demand-side subsidies are a better way to provide social housing support than providing housing directly.

Internationally, demand-side subsidies play an important role in social housing. Housing Benefit in the UK enhances the opportunities for low-income households to obtain decent quality housing, and it plays a vital role in helping many tenants to afford their rent, both in social and private rented housing. Meanwhile in Australia, Rent Assistance provides supplemental payments to allow low-income households to rent private housing units, while the US provides a Section 8 rental voucher to help vulnerable households to access private rental housing. In Yinchuan, the stock of *low-rent housing* has increased to a sufficient level now, although the eviction of tenants who are no longer eligible from rental social housing has been a problem for social housing management. Hence, as can be seen from the literature review and research findings, demand-side subsidies may be a better way of supplying *low-rent housing* because if households are no longer eligible the demand-side subsidies can be easily stopped.

However, some interviewees mentioned that they thought physical housing supply was still as important as demand-side subsidies, highlighting some issues with demand-side subsidies that need to be considered for their future development in Yinchuan:

- Firstly, for very poor households living in areas with high poverty, demand-side subsidies are not sufficient to address their housing issues. In Yinchuan, with regards to social housing in practice, some government officers mentioned that:
1) *low-rent housing* demand-side subsidies were too small to allow the poorest households to rent housing units on the market, especially when the market rent was high; 2) housing issues were not the only issue that the poorest household faced, with other factors including being disabled or suffering from serious

illnesses, meaning that demand-side subsidies were sometimes used for food or other urgent purposes rather than housing.

- Secondly, for some low-income households, demand-side subsidies did not ensure that households obtained appropriate housing units. In the research findings it could be seen that the high-speed development of commercial housing caused a shortage of small housing units, meaning that even those awarded demand-side subsidies were still at risk of being unable to afford market rental housing because larger units demanded higher rental rates than they could afford.
- Additionally, another important issue was that residents living in market-rented housing paid for by demand-side subsidies did not have their housing conditions and living environment supervised. Therefore, households' basic health and living standards could be at risk if they chose cheap housing in order to save part of the subsidy payment for other purposes. As discussed in the literature, many migrants rent basements, some even shared with more than one family in the same unit, in some cities, such as Beijing.

Thus, in spite of demand-side subsidies playing an increasingly important role in rental housing implementation, physical housing supply is the most effective way to address the housing issues of the most vulnerable households by ensuring that they can access suitable accommodation. *Low-rent housing* provides housing to the poorest residents for as long as they are eligible and the rent is very low so that it is affordable for most tenants, which means that it acts as a safety net for poor households who cannot access the market or improve their income in the short term.

9.3.2 Difficulties of implementation and management of access and exit processes for rental social housing

According to the management regulations for rental social housing, tenants who are no longer eligible will be asked to leave their current unit. In Yinchuan, government officers mentioned an eviction processes, although, in practice, according to the regulations, the local authority does not have the right to evict tenants from their units, as this can only be ordered through a court. In fact, although the court has the right to enforce the eviction of tenants, neither the court nor the relevant authority would enforce this if a tenant

refused to leave. Forced eviction from social housing could put tenants at risk of becoming homeless, because these people may not have an alternative place to live, and even if their income improved they may still have difficulties affording a private rental unit.

With regard to accessing social housing, this research found that fraudulent documents had been identified in some households' applications, and government officers believed that it was highly likely that some of the paperwork provided by current tenants could also be fake. Officers indicated that absence of sanctions for supplying fraudulent documents were the main reasons this occurred. Furthermore, processing eviction procedures might not be an urgent concern when housing stock is at an adequate level, but when there is a shortage it is important that this is managed effectively to ensure social housing remains efficient. Therefore, the lack of systematic management for accessing and exiting social housing will be one of the most important challenges for its future implementation.

9.3.3 *Falling out of the 'security net'*

In all the countries studied, every function and model of social housing had a group that was not covered by it, such as the most vulnerable people being excluded from the wider affordability function. However, social housing should not only cover the most vulnerable households, as prescribed by the ambulance service function, as some low-income households also need to be protected by social housing.

According to the mentioned evolution in social housing function, social housing in Yinchuan has extended its coverage beyond what was offered at the beginning of its implementation. Four different types of social housing focus on households with different income levels and various housing needs in order to create a safety net to protect a wide range of households. However, in practice, although social housing in Yinchuan offers a safety net for a wide range of households, there are still some groups of residents falling outside of the net:

- Firstly, unemployed new graduates and migrants. *Public rental housing* exists that is designed to house both local people and migrants, but it is necessary to have paid social insurance for a certain number of years to qualify for this. Social

insurance is an important measure that determines an applicant's housing situation. However, the income of those unemployed migrants who have not made social insurance contributions is difficult to measure. Thus, these residents will fall outside the safety net even if they are experiencing housing issues.

- Secondly, people with urgent short-term housing needs. In practice, this group of people are at high risk but are likely to fall outside of the net; for example, those who have housing needs related to serious illness, have gone bankrupt, or have suffered from other serious incidents. These households used to have higher living standards and income, meaning that they do not satisfy the requirements for a social housing application, although they might need housing support for a limited period of time. However, a short-term income decrease or the sudden loss of housing is not reason enough to become eligible for social housing.

Therefore, these two groups of people are at risk of falling outside of the safety net created by social housing, which represents another challenge to the future development of social housing.

9.3.4 Housing needs of resident and social mix

The basic purpose of social housing in China, and in the rest of the world, is to provide housing to people who need a decent home. As demonstrated by the findings about residents' experiences of living in social housing, households with different income levels have varying expectations of social housing. Thus, although low-income households showed high overall satisfaction with their social housing units, middle-income household showed lower levels of satisfaction. Indeed, this research found that low-income households expect only their very basic housing needs to be satisfied by social housing. However, with the development of social housing, it has increasingly been possible to not only satisfy low-income households' housing needs, but also to provide them with a decent quality of living standard, which has resulted in their relatively high overall satisfaction. However, middle-income households expect more than just their basic housing needs to be met, and so their expectations of social housing, particularly in terms of its quality, location and surrounding living environment, are not always fulfilled. These circumstances also exist in other countries; for example, the quality of public housing is often very poor in the US to reduce construction fees.

However, the greatest complaint from middle-income households about social housing was related to the social mix that they found in their living environment. During the early stages of social housing implementation, addressing basic housing needs was the major focus of social housing, but concentrated social housing construction caused slum areas and other social problems. For example, US public housing neighbourhoods are usually built very intensively in isolated areas and public often have high levels of poverty.

During development and urbanisation, social housing has played a gradually increasing role in maintaining a level of social mix. Social housing neighbourhoods have applied mixed-model construction in order to mix households with different income levels. In some other countries, such as France, policy makers believe that placing middle-class households in social housing neighbourhoods will help to improve social mix. At present, most of the social housing neighbourhoods in Yinchuan are located at the edges of the city, although social mix alone is not enough to prevent high levels of poverty in these areas, especially in *public rental housing* that is densely populated with migrant workers.

Furthermore, social mix also results in lower satisfaction levels among middle-income households. Some interviewees in Yinchuan mentioned that the government required commercial housing neighbourhoods to have a certain proportion of social housing, but developers were reluctant to do this because it would influence their house sales. This is similar to the situation found in some western countries, housing associations select households, and unwilling poorest household to be involved in neighbourhoods. Thus, middle-income households are often unwilling to live in a neighbourhood alongside poor households or migrants for the following reasons:

- Firstly, middle-income households expect a stable and relatively homogeneous living environment. In these research findings, middle-income people thought that because of the high mobility of migrants, and the short-term characteristics of rental social housing, living in mixed social housing neighbourhoods could pose security risks.
- Secondly, middle-income households are responsible for paying a higher proportion of the management fees than those in *low-rent housing*. This issue was mentioned by several interviewees, as *affordable housing* residents expect to have a better living environment because they pay the same fees as ordinary commercial housing communities. However, as was mentioned by several managers, if a household in

low-rent housing is unable to pay the management fees then they have to rely on *affordable housing* residents and commercial housing residents to maintain the community's environment at a decent standard. Although the government applies this method with the intention of ensuring community operation and so that poorer households can have a decent living environment, many middle-income households do not believe they obtain the quality of living environment that they pay for.

Thus, social housing attempts to create a good social mix as well as meeting basic housing needs. However, this research has shown that the correct balance between maintaining social mix and meeting residents' social housing expectations is not always being found, which will be a significant challenge for the future development of social housing.

9.4 Recommendation for Future Research

As the social housing policy in Yinchuan strictly follows the guidelines set by central government, the findings in this thesis are likely to illustrate common experiences of social housing implementation across China. However, a broader range of studies would enable a greater variety and depth of information to be gathered about social housing in urban areas across China. Thus, there are two main recommendations for future research:

Firstly, more cities should be considered in future research into social housing policy in China. As was found in the review of literature about China's social housing policy, different detailed policy implementation approaches exist because of the varying local circumstances found in different cities. For example, due to the considerable number of migrants in Chongqing, another part of western China, *public rental housing* was developed there earlier than in other parts of the country and it still plays the most significant role in the local social housing system. Therefore, other areas should be identified, such as Xining, capital city of Qinghai province, where further research would help to achieve a broader understanding of social housing policy in China.

Secondly, more social housing models should be examined in future research. This research employed the social housing models of western and other East Asian countries as a theoretical framework to explore the social housing model applied in China. However, this research did not consider if the social housing models found in other countries were comparable to the Chinese model. For example, future research could

examine whether the social housing model in countries such as Brazil is similar to that found in China, as this is a country that has also experienced rapid economic growth, or the models used in India, where there is also a large population.

9.5 Conclusion

This thesis examined the roles social housing has played, and whether it meets the housing needs of households in urban China, through an investigation of social housing policy implementation in a case study city, Yinchuan. From the findings of this research, it is possible to conclude that social housing meets the purpose of providing households with a ‘home to live in’, which emphasises having a place to live whether through renting or ownership. Furthermore, with the development of social housing (e.g. expanding coverage range), social housing achieves its aim of housing both low-income and middle-income households. Through a discussion of the evolution of social housing, it has been shown that the function of social housing has changed over time.

Social housing in China does not exemplify a single function and it does not completely match the western model or East Asian models found in other countries. Indeed, the evolution of social housing function can be referred to as a process that focused on differing types of social housing at different times. Under the productivist model, where housing is a means of enhancing economic development, Chinese social housing has not only played a role in solving housing issues, but also multiple roles in local development and urbanisation. Middle-income residents represent the largest group that was covered by social housing while China’s social housing followed a productivist model. To some extent, the productivist model is similar to the wider affordability function found in western countries, with middle-end households being the major beneficiaries of social housing. This productivist model was devised, with its emphasis on developing home-ownership, not only to solve the housing issues of people in the middle- to low-income groups, but also to help promote economic development. This feature can also be seen in the social housing function of western countries, where the aim is to address the housing issues of a particular group, rather than to solve everyone’s housing problems.

As in some other East Asian countries, social housing in China experienced a shift from a productivist to a welfarist model, and its functions were highly influenced by this change. For example, *affordable housing* was the focus of social housing aimed at

housing middle-income households, which played a role in economic development. However, in recent years, rapid economic growth exacerbated the housing issues of the urban poor, thus, households with a low-income and the urban poor in China were considered as social housing's primary focus. Meanwhile, economic development progressed steadily following the initial rapid economic growth, meaning that social housing stock and demand became more balanced, allowing the model of social housing to shift from productivist to welfarist.

With the focus of social housing transferred from the middle-income group to low-income households and migrants, a safety net has been gradually expanded with the emphasis on developing rental social housing. Meanwhile, residents' experiences improved when social housing moved towards a welfarist model. On the one hand, economic development and urbanisation improved the location and accessibility of previous social housing communities. On the other hand, residents' standard of living became a greater concern under the welfarist model of social housing.

However, the functions and model of social housing in China is likely to change in the future, as the function of social housing is not only associated with current core housing issues but also closely related to China's development model. Therefore, social housing cannot be classified as a simple function or model in China, as it fulfills multiple functions. Indeed, China's model does not completely match either western or East Asian models, as it varies depending on local situations around the country (e.g. economic development, population structure). This allows the Chinese model of social housing to achieve greater coverage than both the East Asian and western models.

However, even if social housing acts as a safety net for a wide range of households, some groups of people are still falling outside that net. Indeed, the Chinese social housing model is still meeting the challenge of providing a comprehensive safety net in practice. Therefore, further research would help to expand our understanding of social housing provision in China, which could help to improve it in the future.

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